Paying for Growth: Development Charges at the Crossroads of Housing Affordability and Fiscal Pressures in Mid-Sized Canadian Cities

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Executive Summary

This research project explores the use of development charges as a revenue tool across the three mid-sized Canadian cities of Ottawa, Winnipeg and Edmonton.

Development charges have become a focal point in contemporary planning discourse. Put to significant use in some Canadian jurisdictions, rapidly rising rates of development charges have become key areas of blame for rising costs of housing, adding sometimes substantial costs to the development process. These costs are passed down to homebuyers and renters, compounding the inequities growing between established homeowners and all others.

The research seeks to contextualize development charges within the realm of municipal finance, investigating both capital and operating budgets of all three cities to understand the attraction of development charges as a supplementary source of income. The legislative permissions regarding development charges set the stage for understanding how each municipality has sought to derive funding from streams beyond property taxes.

Looking at patterns of growth, the project looks at how municipalities endeavour to pay for the resultant infrastructure and service, both in terms of upfront capital costs and the ongoing costs of repair, operation and lifecycle replacement.

Attention is given to the question of affordability, in the context of these financial operations: affordability both from the standpoint of individual residents and from the perspective of the municipality as a corporation.

This research is facilitated through a literature review, case study investigations and semi-structured interviews with city administrators and elected officials.

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Introduction

Scope and Goals of the Research

Development charges have become an increasingly central topic in the discourse surrounding the contemporary housing crisis in Canadian cities. While development charges can apply to many types of development within municipalities, this project concerns itself primarily with their application to residential construction, narrowing the focus on the intersection between development charges and ongoing concerns regarding affordability in the Canadian housing market.

The primary objective of this research is to explore the contexts within which development charges are used (or not used) among some of Canada's mid-sized cities. By selecting cities with different legislative, budgetary and policy contexts, this study aims to elucidate how development charges operate, their relationship to general municipal finances and some of their potential drawbacks. Providing a high-level overview of the specific financial constraints and housing challenges of each city, this research investigates why development charges have garnered such interest, what benefits they aim to deliver, and how mid-sized Canadian cities fund their municipal budgets. By examining the intersection of housing affordability and fiscal strain this research will explore the function of development charges in new contexts.

This project has changed in focus and outlook many times since its inception. Beginning with an interest in how mid-sized Canadian cities are able to secure public good from the concession of zoning permissions and the sale of public land to developers, initial findings in the literature review indicated that there were no formal land value capture efforts in these cities. The case of development charges led to a refocusing towards a critical analysis of the use and function of development charges and their role in municipal finances. As such, the research is structured in an expositional manner, with each section establishing an edifice for the next's interrogations.

Relevance to Contemporary Discourse

Development charges have become a major focus in policy debates across Canada. Competing policy objectives of improving housing affordability and ensuring sufficient tools for financing growth and capital spending budgets have highlighted the role of development charges as a major factor of influence. While adding to the upfront cost of new housing, development charges have been championed in some municipalities as an essential instrument for alleviating cost pressures that derive from the upfront costs of growth. Recent legislative reforms (such as Ontario's *More Homes Built Faster Act* of 2022) have sought to alleviate some of the impacts of development charges on housing affordability. These reforms have intensified debate on the question of the propriety of development charges – raising questions about their suitability as a major financing tool delivered to cash-strapped municipalities. The debate surrounding development charges has raised questions about the trade-offs between growth, municipal revenue streams and housing policy objectives.

As development charges continue to rise in municipalities in Ontario and British Columbia, cities like Toronto and Vancouver have come to dominate the discourse. This research situates these questions in cities that have garnered less consideration in the academic literature. In subject to questions regarding municipal finance and housing affordability, this project explores development charges within broader policy contexts.

Housing affordability, while contentious for its broad and diffuse meanings, is used in this project with a full embrace of its ambiguity. Affordable housing, as a concept, has been the subject of substantial discourse, criticized for its application in a wide variety of contexts and interpretations (Bradley 2024). For the purposes of this project, the crisis of housing affordability is meant as the broadly rising costs of housing experienced by both owners and renters over the past several decades. Affordability is used as a metric of economic valuation, rather than social need, in order to situate the question in the context of development charges as a municipal tool for economic value accretion.

Research Questions

The following questions guided this research:

1. How are municipalities funding growth?
2. Why have some mid-sized Canadian cities turned to development charges as a funding tool?
3. In what ways do development charges affect housing affordability?

Methods

Case Studies

This research analyzes the contexts of the three selected cities to assess the use of development charges and municipal budgetary pressures that produce a need for novel funding mechanisms and the status of housing affordability. The section begins with an analysis of the legislation governing the use and capacity of development charges in each province, while noting the application in each subject city. A budgetary overview of each is provided to contextualize the state of municipal finance, with narrative commentary surrounding the passage of each budget to situate them in a multi-year context. Finally, an analysis of statistics concerning housing affordability establishes whether impacts from development charges produce noticeable effects. By laying the groundwork for a comparative understanding of each city's use of development charges and their particular contexts for municipal finances and housing affordability, the case studies establish an important background for further investigation in subsequent sections.

The cities of Ottawa, Winnipeg and Edmonton were selected for a number of reasons, owing to both similarities in population and size, and dissimilarities regarding use of development charges. With populations lower than Canada's metropolitan centres of Vancouver and Toronto, they have not yet been subject to the same degree of academic analysis. Each has a unique financial environment and application of development charges, creating a comparative framework for understanding their impacts, uses and challenges.

Case studies can be useful when comparative research is being conducted, providing insights into the differences and opportunities within different policy environments (Yin, 2003). This method provides insight into the particularities of each policy, fiscal and housing environment while establishing comparative data for analysis of the strengths and weaknesses of each given approach.

Interviews

Semi-structured interviews were conducted with elected officials and city administrators, with one interview from each of the subject municipalities. After achieving clearance from the University's Office of Human Research Ethics, interviews ranged from 30 to 60 minutes and were conducted over the University of Manitoba Secure Zoom Platform. Elected officials were invited for their working knowledge of the decision-making choice within each city council, as well as the political influences that impact their choices. City employees were invited for their knowledge of policy and its application, providing in-depth understanding of development charges, municipal finance and patterns of infrastructure development. Six City councillors were contacted by publicly available email addresses and asked to participate in the study. One declined to participate, while two did not respond. Three of the councillors agreed to participate, although only two were able to do so within the time span available. Three planners and administrators were contacted – one in each city – with only one response. With three total interviews conducted, each city was given representation. Leaving room for each participant to direct the conversation made room for divergent insights and critiques of development charges, city finances and the patterns of development that helped inform key takeaways from this study.

Literature Review

A development charge is a levy, used by municipalities to extract from developers some or all of the capital costs of off-site infrastructure that service the development (Slack 1994, 1). While developers are typically required to pay the cost of onsite infrastructure (such as roads and sewer connections to city networks), development charges constitute additional financial contributions from the developer to finance the infrastructure and service networks themselves. The governing principle of development charges – that growth should pay for itself – emanates from a history of popular opposition to municipal debt financing from current homeowners (Skaburskis & Tomalty 2000, 305). The principle dictates that those who benefit from city investment – future occupants – should be the ones to pay, rather than existing residents. Development charges join a host of municipal fees and levies developers face during the application process for re-zoning, subdivision or other planning needs. While other fees and levies are typically concerned with the administrative and onsite costs, development charges bring external (offsite) costs into the calculation (Amborski 2015, 29). As a result, development charges are designed to anticipate growth related needs, displacing some degree of the cost burden from the municipal budget onto developers. Serving as an essential tool in some jurisdictions, development charges have inspired growing debate as to their suitability and the inherent trade-offs they produce. Operating as an alternative form of revenue generation in support of municipal property taxes, it is critical to understand the context of municipal revenue.

A Brief History

While there have been local improvement taxes levied against property owners for over a century in Canada, development charges began with the advent of subdivision agreements after WWII (Sancton 2022, 138). Across North America, they went by many names, including 'lot levies', 'cash imposts' and 'development charges' (Slack 1994, 26). With a surge in demand for housing but little in the way of municipal financial capacity, cities entered into agreements with developers requiring that they construct required local infrastructure such as roads while also paying for offsite infrastructure and amenities (Skaburskis & Tomalty 2000, 304). Development charges became entrenched as a mechanism for paying the costs of new infrastructure necessary to service a growing number of urban and suburban housing developments. These agreements, in time, began including costs for infrastructure outside of the development itself (Sancton 2022, 139). Uneven application between municipalities and legal challenges mounted by developers led to state and provincial codification, through legislation, for how and what municipalities could charge. In Ontario, *The Planning Act* was revised in 1959 to include provisions for this purpose (Skaburskis & Tomalty 2000, 305).

Development charges are part of a broad effort from municipalities to shift costs from the general taxbase to maintain the lowest possible levels of taxation (Amborski 2015, 34). The history of development charges is deeply entwined with a historical effort to maintain low levels of property tax without surrendering important infrastructure and levels of service – with the political climate of the last three decades of the 20th century turning against the institution of property taxation, these ancillary funding mechanisms took on growing importance in cities across North America. In the case of Ontario, popular demand for retrenchment against high property taxes and inflated municipal debt servicing has led to backlash against urban growth. Holding significant influence over the development patterns of the city, existing residents have been able to combat both infill and greenfield growth, leading elected officials to search for less obtrusive funding mechanisms (Lennon & Leo 2001, 14). This pressure of reduced growth led to a general acquiescence from developers, who rather than fighting development charges, began negotiating their application (Skaburskis & Tomalty 2000, 305). Today, many Canadian provinces have legislation which details the exact parameters of use for development charges in municipalities, providing codified and standardized regimes of calculation which dictate the costs a municipality may impose.

Property Taxes

In this discussion of development charges, it is necessary to first explore a brief history of the purpose and role of property taxes. Development charges have grown in some jurisdictions in response to political pressures which restrict the increase in property taxes. Providing supplemental municipal income with less immediate impact upon existing residents, development charges have garnered increasing interest in many jurisdictions as a more politically palatable alternative to the taxation of property.

In Canada, property taxes long predate other forms of taxation commonly known today: as early as 1793 – with the passage of the *Assessment Act* in Upper Canada – property taxes have been the principal method for municipalities to finance the delivery of infrastructure and services (Kitchen, Slack & Hachard 2019, 1). Over time, as the country has trended towards stronger federal and provincial governments, municipal property tax has been overtaken by other forms of taxation as the more onerous forms of exaction placed upon Canadians. Today, property tax accounts for, on average, nearly half of municipal revenues (Kitchen et al 2019, 2). Differences in residential and commercial tax rates vary among Canadian provinces and cities, in some cases producing dramatically higher rates for commercial sites than residential. For the purposes of this investigation, commercial taxes will be omitted from further consideration. Indeed, property taxes are levied in a myriad of complex ways, with most Canadian provinces including a provincial property tax in addition to municipal taxes. Municipalities in Canada are unable to exact taxes on income, wealth or sales, leaving few avenues for alternatives. Progressive taxation in the municipal context is difficult to achieve, as the geographic fixity of a city would compel competition between neighbouring municipalities for growth, driving down essential revenue (Kitchen et al 2019, 8).

Municipal residential property taxes are assessed similarly across Canadian cities. Properties are taxed at their assessed value which is determined according to a provincially proscribed assessment schedule (Kitchen et al 2019, 2). Municipal councils pass annual budgets which establish spending priorities and total expenditures. In order to raise sufficient funds to spend, expenditures are set against the total assessment value of the taxable area, producing a 'mill rate' which determines to what degree properties pay. Often, this process is complicated by a number of other factors and further calculations. For example, 'portioning' is done in Manitoba to protect residential properties from rapid rises in property tax rates by taxing only specific parts of a property's assessed value, bringing a greater degree of equitable distribution of taxation (Province of Manitoba Assessment Facts, 2024).

Property taxes have long been a contentious political issue. While seen as a widely favourable form of taxation among economists, this sentiment is not typically shared by municipal ratepayers (Brunori 2003, 1). This relative unpopularity has been theorized as owing to their visibility – while federal and provincial functions remain somewhat more opaque and high level, municipal services are seen and judged every day (Slack 2011, 7). From garbage collection to the state of roads and transit services, the service delivered through municipal taxation is front and centre. Operating budgets are large and complicated, while capital budgets items often take years to show fruit. Income taxes, inversely, can easily be understood as having direct proportionality to ones wages. The capital costs and debt servicing for large infrastructure projects often mean either significant buildups of tax money in anticipation of construction or else long-term debt servicing which, on the municipal balance sheet, reflects poorly in the imagination of the average citizen (Slack 2011, 7-10).

Property taxes have historically loomed large in the political psyche. A notable event in the evolution of both federal and municipal politics across North America, the example of California's Proposition 13 signalled to elected officials that the taxation of property tax constitutes a major public concern. In 1978, California passed by ballot measure Proposition 13, amending the state constitution to limit the rate of property taxation to 1% of assessed value and eschewing property assessment between points of sale. Proposition 13 received nation-wide notoriety in the United States, leading to two thirds of American states subsequently moving to limit property taxation and was partially responsible for driving the 'taxpayer revolt' which saw major changes to the tenor in local and federal politics, culminating in the 1979 election of Ronald Reagan (England 2018, 60).

"Existing taxpayers in many jurisdictions have grown unwilling to share the cost of providing services to new residential development through property taxes that secure general obligation debt. They see little reason for paying the way of newcomers, especially when tax levies appear to rise without a commensurate increase in service levels. It is understandable, then, that the passage of several tax cutting measures, including California's Proposition 13 and Massachusetts' Proposition 2 1/2, has attracted national attention." [Bauman & Ethier, 1987, 51]

While the historical event of Proposition 13 happened far from the Canadian border, the impact on local and federal politics was felt across North America, signalling widespread fear of the political implications of high property taxes. While Canadian provinces have never faced similar levels of tax revolt, concerted efforts on the part of Vancouver landowners in the early 1980s successfully overturned the city's 'single tax' approach. Vancouver's commitment to a more equitable property tax scheme predicated on land value was championed by many as a success, pointing to a low cost of housing, high rates of construction and higher levels of taxation on the wealthy (England 2018, 61-63). The 1993 emergence of the federal Reform Party in Canada can be seen as a localized outgrowth of the populist sentiment which swept America a decade prior (Laycock 2019). Displacing the federal conservative party as the 'voice of the right', Reform championed lower levels of taxation, fiscal prudence and direct democracy – the means by which Proposition 13 was able to radically alter California's system of property taxation. Due to the visibility and politically tumultuous nature of residential property taxation, a premium has been placed, politically, on its maintenance at the lowest rate possible. Sancton notes that, in the United States, impact fees "emerged during the Reagan years at a time of "taxpayer revolt, [constituting] an indication of desperation" (Sancton 2022, 139). Limits since placed on property tax expansion have begun to erode key revenues in many jurisdictions, complicating municipal financing and leading to chronic underinvestment in infrastructure maintenance and repair and city services (Slack 2011, 11).

The share of municipal funding derived from property taxes has fallen across Canada, between 1961 and 2011, from 50% to the mid-30% range, following an increase in federal and provincial transfers that commenced in the 1970s (Bazel & Mintz 2014, 9). Municipal expenses have risen over the past several decades, while municipal revenues have diminished, creating an annual crisis as cities look to balance their budgets (Federation of Canadian Municipalities 2024, 9-11). Cities are expected to pay for an ever-growing percentage of infrastructure costs, while being shut out of revenue-sharing opportunities enjoyed by higher levels of government. Increasingly, discourse on municipal property taxes indicates a growing need for additional funding mechanisms.

The Case for Development Charges

The case for development charges is typically premised on the principle of 'growth pays for growth' – that is, that the cost of infrastructure and services required by new development should be borne by these new residents, not the existing taxbase. Their use can be seen as a form of land value capture – an effort on the part of the public to procure financial benefit from private profit. Land value capture is little practiced in the context of Canadian municipalities but comprises a number of tactics and tools designed to leverage municipal assets and authorities in extracting concessions from new development – either in the form of financial compensation or other public goods such as affordable housing (Kaplinsky & Amborski 2019).

Some proponents have argued that the utility of development charges lies in their ability to supplement the more politically onerous tools of property taxation which, in their absence, would create anti-growth pressures on the municipality which would lead to the overall degradation of service levels (Sancton 2022, 141). In this sense they are a superior device for financing growth as they relieve the economic pressure from existing residents and therein the political pressure on municipal government to sidestep important service improvements. Development charges allow for city enhancement projects that might never achieve public approval: while they may increase the upfront cost of housing, they play an integral role in ensuring the proper levels of service a city needs (Found 2019, 18). If property taxes are maintained at efficient levels, they are best able to recover costs for only infrastructure and services operating at full capacity. Upfront expansion of infrastructure, in this case, requires additional funding sources in order for operationalization to occur and utilization rates to rise (Dachis 2023). In the context of Canadian municipalities, who face mounting pressures from aging infrastructure and reduced funding from higher levels of government, development fees fill a crucial role in the provision of new capital projects. Unlike property taxes, which may fail to rise in accordance with municipal need if political will falters, development charges are typically assessed against a predictable formula, ensuring a consistent revenue as long as development continues.

In their 2000 study on development charges in the cities of Toronto and Ottawa, authors Skabusrkis and Tomalty found that the effects upon developers' decisions to build were negligible beyond factoring into the calculations on profitability (Skaburskis & Tomalty 2000). While development charges have risen drastically since this study, there is evidence that, in sufficiently strong markets, development charges will not necessarily impede development.

While the price of new housing is impacted by development charges to some degree, it is important to complicate the idea of what new buyers are receiving: beyond the land and structure, they are also purchasing a bundle of municipal services (Found 2019). For these services to be rendered at optimal levels, funding sources must come from those who ultimately stand to benefit, on the principle of user-pays (Slack 2010, 6).

Finally, some have argued that development charges provide an opportunity for progressive municipalities to put a price on sprawl. When applied appropriately, greenfield developments at the edge of cities can be made to pay for the ancillary costs of the urban build form that emanate from building further beyond the city centre (Sancton 2022, 147). Infill development, liberated from the same charges, will have inherent advantages, encouraging the overall development of the city to prefer densification and consolidation of already serviced areas, improving their fiscal and environmental sustainability.

The Case Against Development Charges

Many critics argue that the calculation of development charges in Ontario is found to be on shaky ground. Estimated infrastructure costs are divided between the number of estimated new residents in a specific time period in order to produce development charge rates, numbers which can be very difficult to project and inscribe a number of working assumptions about population growth and capital cost projections (Missing Middle Initiative, 2025). Furthermore, parsing the benefits of development between existing and incoming residents cannot be an exact science: the construction of a new road or recreational facility may ultimately benefit indistinct percentages of existing and incoming residents.

In the case of infrastructure projects like water and wastewater, capital projects typically arrive at a significant delay from the point of development. Reserves are amassed, over time, to provide the necessary capital funding for major projects when they are needed. The delay between the development (and, therefore, the payment of development charges) and the construction of the asset means that homebuyers will typically be financing, through their mortgages, these future construction projects (Dachis 2023). Individual mortgage rates, while subject to fluctuations, far exceed the rates at which municipalities themselves are able to borrow, creating both a question of equitable displacement of costs and misallocation of debt. User fees would be preferable, in this consideration, as they charge only the true costs of actual usage, rather than the costs of anticipated need while skirting the issue of deferred revenues, wherein funds sit idle for lengths of time as they await construction (Dachis 2023).

Recent investigations into DCs find significant equity concerns. Existing residents of neighbourhoods often benefit from infrastructure spending and broadened tax bases for the replacement of existing infrastructure while new residents are made to pay (through costs passed on to the consumer) for the provision of new infrastructure and then (through ongoing property taxation) for the maintenance and replacement of ageing infrastructure in older neighbourhoods

(Sancton 2021, 14). Existing homeowners are the dominant beneficiaries of the development charge model: benefitting from the provision of new infrastructure and services, from the broad elevation of home-values – influenced by the rising cost of new development – and from the addition of new taxpaying residents who help support budgetary commitments to citywide infrastructure repair and lifecycle replacement (Fathers 2014, 18). It is increasingly the case that development charges in Ontario constitute a burden upon newcomers to a city, disproportionately harming renters who do not enjoy any of the financial equity that comes from elevated home values (Whitzman 2024, 206).

Homebuyers in new greenfield developments ultimately pay for the provision of servicing infrastructure (provided by the developer) through the original cost of purchase. This new infrastructure will not become a major financial liability for a generation or more – while in the meantime these residents will participate in the ongoing tax-borne costs of the repair and replacement of aging infrastructure in older neighbourhoods (Sanction 2022, 146). Benefit, then, redounds to existing homeowners on a number of fronts: the cost of repairing the infrastructure they have and will continue to rely upon is spread across a broader taxbase.

The Missing Middle Initiative has, in a recent study, suggested that development cost charges (how they are named in British Columbia) add over $130,000 to the cost of the average new condominium in Vancouver (Missing Middle Initiative, 2025). Meanwhile, in Ontario, municipalities have amassed over $10 billion in idle funds collected from development charges. It is conceivable that most, if not all, of these funds are being financed by individual homeowners and renters through mortgage and increased rental payments.

Canadian cities have been experiencing rapid population growth since 2020. Between 2021 and 2023 Canada has added 400,000 people per year more than the years prior to the pandemic (Municipal Benchmark Study 2025, 6). Canadian cities have been unprepared for the spike in new residents, with housing starts dropping 7% from 2022 to 2023 (CMHC 2024). Driving up rents across the country, these trends have been exacerbated in the provinces of Ontario and British Columbia by dramatic rises in development charge rates, adding – in some cases – hundreds of thousands of dollars to the cost of acquisition (Missing Middle Initiative 2025). These impacts put home ownership out of reach for many young and new Canadians, while driving up the cost of renting as developers factor these charges into their balance sheets.

Summary

The true cost of development charges is an exceptionally difficult measure to isolate. Factors such as land value, taxation, the economic benefits of increased density and the economic burdens of greater levels of service all operate in highly contingent contexts which render analysis a constant battle of cordoning off relevant factors from externalities (Sancton 2022, 139-140). Development charges have become an important source of revenue for Ontario municipalities: in 2018 revenue collected from DCs amounted to over 10% (2.23 billion dollars) of total revenue generated from property taxes, indicating broad reliance on the strategy for municipal funding (Sancton 2021, p. 19). Their dramatic growth has raised concerns about their sustainability, equity for new residents and impacts upon the development of new housing. Historical and ongoing tensions arising from the use of property taxes to finance growth have led municipalities in Ontario and British Columbia to embrace these trade-offs. While cities like Toronto and Vancouver explore other land value capture opportunities such as density bonusing, development charges continue to constitute a significant portion of new growth financing. Concerns regarding development charges, then, must consider both their propriety and their scale. Used sparingly and efficiently, they can produce desirable outcomes, though *in situ* we find that this is often not the case, where deleterious outcomes stand out.

Findings

Case Studies

Development Charges

Ottawa

The authority to institute development charges in Ontario is given through *The Development Charges Act 1997*. The legislation identifies a set of amenities for which municipalities are able to calculate and administer charges on new development. Funds can be used for growth-related capital costs city-wide relating to roads, sewer, transit, park and library services, to name just a few (City of Ottawa Planning Primer n.d.).

The City is required to establish a Development Charges By-law, to be updated every 10 years. A background study is also required to detail the city's anticipated growth, services required to meet the needs of said growth, and the capital financing expectations for major infrastructure projects (Primer, 7). The background study is required to consider several factors and deductions, including a services cap for new development, service capacities on existing infrastructure and potential benefits to existing residents (Primer, 23). These are factored into a final dollar figure that is then subsequently divided by the number of anticipated growth units over the course of the 10 years. In this manner, Ottawa aims to recover some of the costs for building the requisite infrastructure meant to service new growth without financial impact upon existing residents. Provincial legislation indicates parameters for the expenditure of funds accumulated through development charges – 60% of available reserve funds must be spent on roads, water and waste, for example (Hemson 2024, 14). Opposition from the development industry led to legislative amendments in 1997 restricting the range of services that cities are able to charge for, with mandatory reductions (Kaplinsky & Amborski 2019, 26). Similarly, recent legislation has established exemptions for affordable housing developed by non-profit organizations.

Revenues collected through this means must be sent to dedicated reserve funds, earmarked for the service for which they were collected. For example, the City of Ottawa – as of April 2024 – held $112,529,400 in wastewater reserve funds, awaiting projects (Hemson 2024, 167).

Category	Inside the Greenbelt	Outside the Greenbelt	Rural	Rural - Unserviced
Single-Detached and Semi-Detached Dwelling, $ per Unit	$48,265	$57,596	$42,555	$40,597
Apartment Dwelling, (2+Bedrooms), $ per Unit	$26,516	$30,976	$23,128	$22,063
Apartment Dwelling (less than 2 Bedrooms), $ per Unit	$18,850	$22,019	$16,441	$15,683
Dwelling Rooms $ per unit	$14,561	$17,011	$12,701	$12,116
Townhouse, Multiple, Row and Mobile Dwelling $ per Unit	$38,454	$45,192	$33,444	$31,908
Non-Industrial Charge Use $ per square foot	$35.73	$35.73	$35.73	$30.66
Industrial Charge Use $ per square foot	$15.59	$15.59	$15.59	$13.20

Figure 1: City of Ottawa Development Charge Fee Schedule, April 2024

Development charges in Ottawa are broken down according to location of the development: fee schedules distinguish between development within and without the greenbelt. (City of Ottawa Fee Schedule, 2025). Asset portfolios and the subsequent projects do not distinguish between the two, however. Background studies that support the determination of these costs are often quite long and detailed – the 2024 study, for example, runs to nearly 350 pages – and operate under a number of assumptions relating to the anticipated growth of the city. As new studies and plans are developed, city council is able to change its development-related capital forecast periodically, which recalculates the applicable rates according to the absorbed (or diminished) cost changes (Primer, 22).

Winnipeg

The City of Winnipeg does not, at present, administer development charges. While in Manitoba the *Planning Act C.C.S.M. c. P80* allows for the use of development charges, the City of Winnipeg is unique in having a distinct charter which does not make similar provisions. In 2016 Winnipeg City Council approved the Impact Fee By-law which would establish a charge of $54.73 per m^2 on new residential developments within the city – a charge on specific areas of new development which would operate in similar fashion to development charges. Taking effect May 1, 2017, this impact fee applied for just over three years before it was halted by an Order from the Court of King's Bench, having been challenged on grounds of legitimacy by a local developer (Moore 2020). The Court ruled that the by-law was unconstitutional, having no basis in The City of Winnipeg Charter, and that it constituted an invalid, indirect tax. The Court ruled that the $32 million collected be returned to those from whom it had been collected – with interest applied.

In Court proceedings, the claimants challenged that, since developers already pay for the direct infrastructure necessary to support new development – such as roads and sewer – the new fee constituted an indirect, arbitrary tax on developers (Ferbers 2020). The arbitrary nature of the fee meant that the City could not point to any direct justification for free schedules, nor where revenues would be spent, leading the Court to rule the fee invalid.

Despite the absence of formal development charges, the City is able to charge for direct service needs in the application for planning approvals and building permits. Funds like the Permit Reserve Fund go directly to support the operating expenses for permitting and approvals, while funds like the Land Dedication Reserve Fund, composed of developer concessions *in lieu* of dedicated public space, go towards specific park and recreation projects (Winnipeg Planning, Property and Development n.d.). Winnipeg, like Ottawa, has the ability to charge rates above the cost of delivery for water and sewer, inscribed in the City Charter.

Edmonton

The legislative authority for Alberta's development charges comes from the *Municipal Government Act RSA 2000, c M-26*, giving municipalities the right to recover capital costs relating to new development as pertains to specific needs such as the construction of roads, pedestrian walkways, parking and public utilities directly servicing the property. Development charges may be applied as a condition of planning approvals for subdivision or development permits, and do not require a by-law stipulating their use.

The City of Edmonton has long collected development charges for the narrow purposes of costs related to sewer and arterial roads (City of Edmonton White Paper n.d., 3) through tools like arterial roadway assessments, performed by city administration and approved through a municipal by-law and permanent area contributions. A Sanitary Servicing Strategy Fund is similarly earmarked for financing for new 'just in time' servicing infrastructure (White Paper, 6). Money for this fund is provided at the application stages for subdivisions and development permits. In addition to these, Edmonton makes use of 'Local Improvement' charges, issuing a levy for specific infrastructure renewal projects on properties across the benefitting area. These are broadly issued for owner-requested improvements or city-initiated sidewalk reconstruction. In the latter case the cost of shared in equal parts between the City at large and benefitting residents (White Paper, 6).

These constitute the most basic form of development charge in the city, while offsite levies deliver greater breadth of potential charges, supplement City finances through specific charges to any new development.

Offsite levies require a municipal by-law which establishes the methodology and capture of fees from developers in pursuit of providing municipal infrastructure for the area (City of Edmonton White Paper, 2). These fees operate more like development charges as seen in Ontario, where city-wide needs are accounted, but only apply narrowly to a limited number of city services.

Updates to the *Municipal Government Act* in 2017 gave cities like Edmonton the ability to expand their use of offsite levies to pay for municipal services such as recreation facilities, library facilities and new fire halls. Edmonton's only use of these fees at present is for the construction of fire halls (White Paper). Edmonton's lack of fees pertaining to social service infrastructure beyond fire and core infrastructure (like roads and sewer) produces a much lower overall development charge (or offsite levy) than in cities like Ottawa.

Budgets

Municipal budgets are documents updated annually (and in the case of Edmonton, composed of triannual cycles) organizing and identifying municipal expenditures. Operating budgets contain the costs of maintaining city assets and operations: services and infrastructure and debts, for example. Capital budgets contain major expenses on new or expanded infrastructure projects such as transit, sewer or road expansion. These projects are often jointly financed between levels of government, and sometimes with private companies in the case of P3 models. A draft budget is set against anticipated revenues and revenue streams, such as transit fares, service charges and transfers from higher levels of government. The balance of costs then establishes the mill rate, dividing remaining costs across property owners according to property valuation.

It can be a challenge to provide a strict comparative analysis of these documents, as categories differ to a sufficient degree that various line items are categorized in different places. For the purpose of this analysis, a brief, broad overview of the major expense and revenues of each city suffices to provide insight into both the spending priorities and the revenue structures which substantiate each city's financial operation.

Canadian cities find themselves mired in a major infrastructure debt crisis. A 2019 report titled Canadian Infrastructure Report Card produced by a conglomeration of federations and associations identified that almost 40% of roads and bridges in Canadian municipalities are in conditions ranging from 'very poor' to 'fair', while nearly 30% of sewer and water infrastructure was identified to be in similar condition (Canadian Infrastructure Report Card 2019). Existing municipal infrastructure continues to degrade while cities practice substantial suburban expansion, allocating significant capital expenditure to new servicing infrastructure projects. Discrepancies between accumulating lifecycle costs and total revenues collected or reserved for their purposes project long term budgetary difficulties – realities increasingly coming to the fore in all 3 subject cities. As infrastructure repair and replacement has been displaced to future budgets, and in the absence of sufficient reserve funds, lifecycle costs begin to accrue, leading to deepening infrastructure deficits.

Ottawa

City	Operating Budget	Capital Budget	Revenues	Property Tax Revenues	Development Charges	Typical Prop Tax Bill
Ottawa	$4.98 B	$1.68 B	$4.98 B	$2.2 B	$0.3 B	$4,465

Table 1: Ottawa 2025 Draft Budget Overview. Data from Ottawa 2025 Draft Budget Explorer

Ottawa's 2025 operating budget, set at $4.98 billion, includes major items like $1.12 billion for community and social services, $634 million for water and waste, 467 million in capital formation costs (debt), $442 million for police services and 395 million for emergency services, 824 million for transit operations and 296 million for transportation, infrastructure and public works.

The capital budget is set at $1.68 billion. The City of Ottawa is devoting $511 million to transit services, $362 million to water and wastewater services, $254 million to integrated roads, and 226 million to transportation services.

The city's 2025 operating budget anticipates $2.2 billion dollars in property tax returns, accounting for just over 44% of operating revenues. Ottawa, uniquely situated as Canada's capital city, returns a substantial portion of payments in lieu of taxes from the federal government, a figure that otherwise might be included in property tax revenues. Fees and service charges account for $1.21

billion (~24.3%).

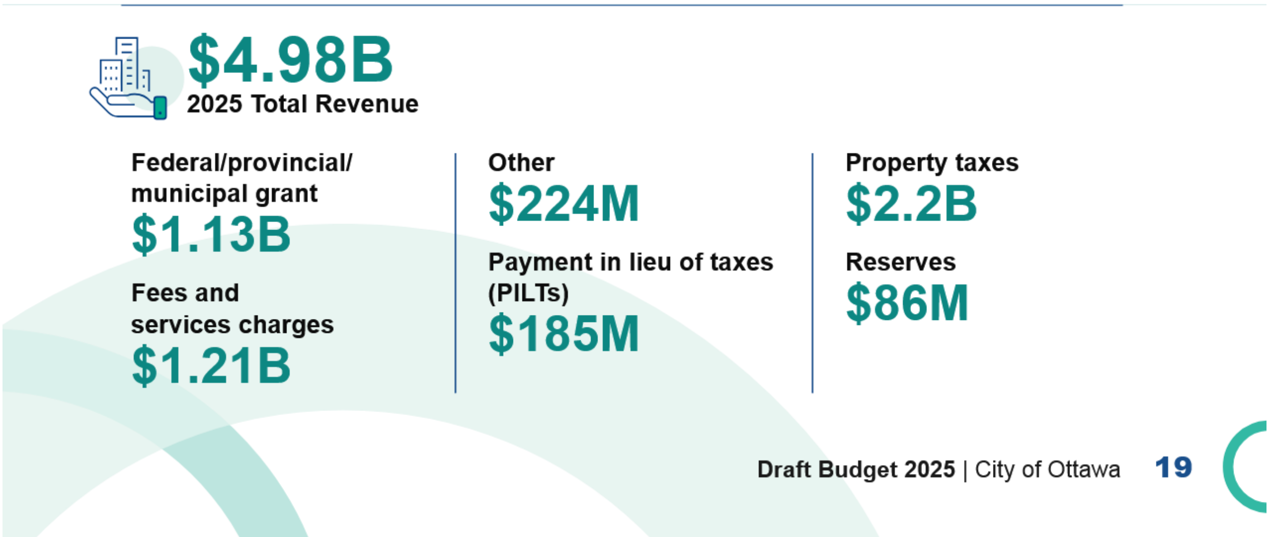

Figure 2: City of Ottawa Key Revenue Sources

In August of 2024 Ottawa Mayor Mark Sutcliffe called a press conference to draw attention to what he called “a critical junction for our city’s finances” (White-Crummey 2024). Central to the issue is a major operating deficit for Ottawa’s public transportation system, running at an estimated $140 million over the next 3 to 4 years. The mayor has made several public criticisms of funding arrangements between the City and the federal government regarding payments in lieu of taxes (PILTs), wherein the federal government – unrequired to pay municipal taxes by law – agrees to transfer the equivalent funds. Ottawa city council voted to pass a 3.9% property tax increase in their 2025 budget to fund city services and backstop a beleaguered transit system which suffers from chronic underperformance and service disruption (Pringle 2024). Since 2023 Ottawa has drained a third of its reserve fund – from $663 million to $436 million – to balance municipal budgets and maintain the lowest possible property tax rate increases.

Critics point to Ottawa’s overstretched funding priorities relating to new residential and commercial developments and a severely underfunded plan for infrastructure repair and replacement. Pointing to the City’s asset management plans – which identify a $1.7 billion dollar deficit in roads and sewers and $3 billion deficit in ‘other’ infrastructure such as land fills, recreation and library facilities, there is a marked need for increases to funding levels in the operating budget to address decades of deferred maintenance (Saravanamuttoo 2024).

Winnipeg

City	Operating Budget	Capital Budget	Revenues	Property Tax Revenues	Development Charges	Typical Prop Tax Bill
Winnipeg	$1.49 B	$0.32 B	$2.3 B	$0.8 B	0	$2157

Table 2: Winnipeg 2025 Draft Budget Overview. Data from City of Winnipeg 2025 Draft Budget

Winnipeg's operating budget is set at $1.49 billion. Major items include police services at 339 million (or 27% of the tax-supported budget), $189 million for public works, $246 million for emergency services and $107 million for community services.

The capital budget is $315.9 million. The city's top three spending priorities relate to upgrades and expansion of the North and South End Sewage Treatment Plants, amounting to over half the total budget. Improvements to a transit garage and the purchase of new buses round out the top five expenditures.

Total operating revenues amount to $2.3 billion. At $798 million, property taxes represent nearly 35% of total revenues.

Winnipeg's 2025 budget included a 5.95% increase in property taxes – the highest rate increase in over 30 years (MacLean 2025). The budget calls for additional operating expenses for core city services like snow clearing and police, while the Fiscal Stabilization Fund (a budgetary cushion meant to provide relief in years of deficit spending) is forecast to have become entirely depleted by the end of 2024 (MacLean & Kives, 2025). When discussing the budget, Mayor Gillingham stated, "With 65,000 new residents added to our city in just the past three years, the strain on our services is real. This budget ensures we're taking action to meet these growing demands while setting a path for a safer, more sustainable future. We need more revenue, full stop" (Thompson 2024).

Winnipeg, like Ottawa, has the ability to charge rates above the cost of delivery for water and sewer, inscribed in S. 210(1) of the City Charter. Facing a $1.5 billion dollar expense in upgrading a major sewage treatment plant in the city's north end, administrative staff have proposed significant increases to the water rates charged to consumers over the next several years as a financing method – moving from an average annual cost per household of $1308 to $2308 by 2027 (MacLean 2025). The 2025 budget includes a rate increase of 35% between 2024 and 2027 (Standing Policy Committee on Water, Waste and Environment Agenda 2025).

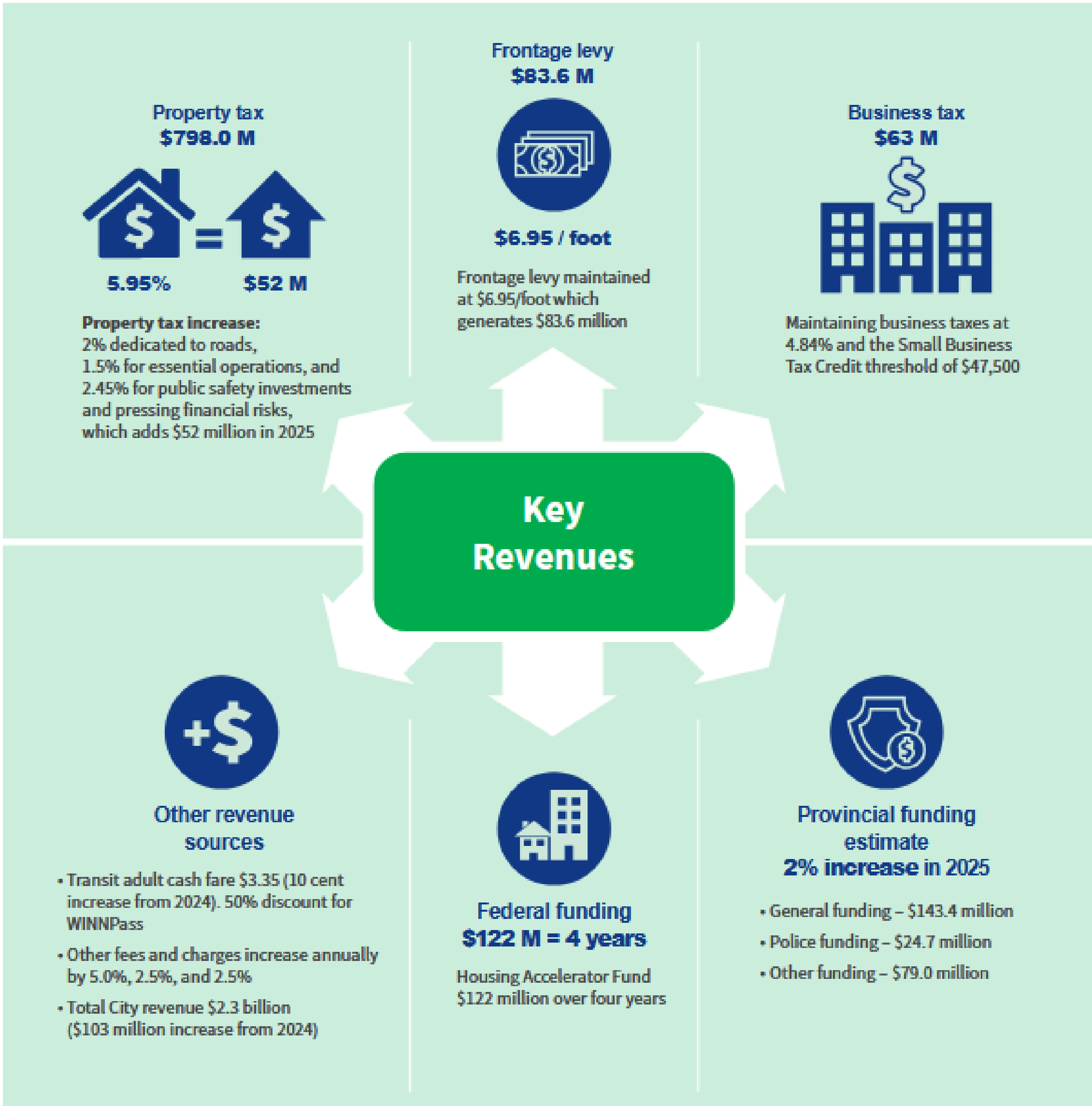

Figure 3: City of Winnipeg Key Revenue Sources

Edmonton

City	Operating Budget	Capital Budget	Revenues	Property Tax Revenues	Development Charges	Typical Prop Tax Bill
Edmonton	$4.079 B	$2,490 B	$2.3 B	$2.28 B	n/a	$3,821

Table 3: Edmonton 2025 Draft Budget Overview. Data from City of Edmonton Open Budget Tool & Approved 2025-2026 Operating Budget

Edmonton's 2025 operating budget is set at $4.08 billion. Major expenses include $550 million for police services, $468 million for transit services, $404 million for debt repayment, $292 million for parks and road services and $225 million each for fire rescue and support services.

The capital budget expenditure is $2.49 billion. Edmonton's capital budget pertains to a 3-year budgetary cycle, making it difficult to parse individual annual expenses. The 3-year budget is largely dedicated to LRT expansion at 36.4%, Roads at 15.8%, Recreation and Parks at 13.7%.

Total operating revenues total $3.74 billion. At $2.28 billion, property taxes represent nearly 61% of revenues.

2025-2026 Budget - Tax-supported Operations by Category

($000)	2023 Actual	2024 Adjusted Budget	2025 Budget	2026 Budget
Revenue and Transfers				
Taxation Revenues	1,898,463	2,107,295	2,276,515	2,454,791
User Fees, Fines, Permits, etc.	422,161	379,322	356,422	353,010
Franchise Fees	206,844	216,827	238,280	244,914
EPCOR Dividends	185,000	193,000	201,000	201,000
Transit Revenue	97,607	120,661	111,269	113,776
Transfer from Reserves	180,192	136,836	174,910	140,450
Other Revenue	124,546	131,232	137,057	139,406
Operating Grants	136,508	132,653	133,701	129,721
Investment Earnings and Dividends for Capital Financing	85,378	113,594	114,450	116,055
One-time Items	-	109,857	-	-
Total Revenue and Transfers	**$3,336,699**	**$3,641,277**	**$3,743,604**	**$3,893,123**

Figure 4: City of Edmonton Key Revenue Sources

Years of investing in major capital projects such as LRT expansion have capped the City's future capital funding capacities. Impacts from rising costs of services and construction have led to revenue shortfalls, necessitating a significant rise in property tax rates (Carmichael, 2024). Growing antagonisms between the City and provincial government, understaffing and increasing debt servicing commitments indicate a growing financial crisis facing the City of Edmonton. Between

2011 and 2023 provincial transfers from the Government of Alberta to the City of Edmonton have fallen from $424 to $154 (Hillel 2024). Constrained by provincial legislation from expanding new funding sources, rapidly rising property taxes, as noted above, have been the City's principal means of response to this crisis. Edmonton faces a dire situation when it comes to maintaining its current inventory of infrastructure assets, according to a 2024 report to city council, which makes the claim that "nearly all unconstrained funding" over the next 10 years will have to go towards the City's renewal program (City of Edmonton Council Report, 2024).

Housing Affordability

Ottawa

In Ottawa the rental cost of the average 2-bedroom apartment has risen from $1133 to $1886 between 2014 and 2024, an increase of 65.5%. Rental costs have increased by 4.0 and 5.0% between 2022 and 2024, while 1-bedroom apartments have increased by 4.4 and 5.5%, respectively (CMHC 2024).

Housing starts in 2024 numbered 1411, while the average house sale price was $707,180, a 0.3% change year over year. The Absorbed Single-Detached Unit Price, or price of a home recently constructed and successfully sold was $608,805, a shift of -2.6% year over year (CMHC 2024).

The Ontario Living Wage Network, a nonprofit organization dedicated to performing annual calculations of the living wage – that is, the minimum necessary wage for workers, accounting for the cost of living given government transfers and taxes – published Ottawa's 2024 living wage at $22.80 (Ontario Living Wage Network, 2024). This compares to Ontario's minimum wage, set at $17.20. The growing disparity between the living wage and the cost of housing has made home ownership an increasingly distant prospect for many in Ottawa, requiring significantly greater financial capital year after year: the annual salary required to purchase a house in 2025 has been reported to be $134,300 (Pringle 2025).

Winnipeg

The rental cost of the average 2-bedroom apartment in Winnipeg has risen from $981 to $1445 between 2014 and 2024, an increase of 47.3% (CMHC 2024). Rental costs have increased by 4.4

and 5.4% between 2022 and 2024, while 1-bedroom apartments have increased by 4.3 and 5.0%, respectively.

Housing starts in 2024 numbered 1504, while the average house sale price was 409,356, 3.5% year over year increase (WOWA 2025). The Absorbed Single-Detached Unit Price was 608,805, dropping -2.6% year over year.

The Canadian Centre for Policy Alternatives published a report in late 2024 calculating a living wage for the City of Winnipeg at $18.75 per hour for a 2 parent, 2 child household and $20.80 for a 1 parent, 1 child household. These figures represent a drop from the previous year's $19.21 and $25.46, but a steady increase from 2016's $14.54 and $17.40 (Hajer 2024). The minimum wage in Manitoba in 2024 was $15.80 an hour.

Edmonton

The cost of an average 2-bedroom apartment in Edmonton grew in 2024 from 1229 to 1508, an increase of 22.7% (CMHC 2024). Rental costs have increased by 6.0 and 6.9% between 2022 and 2024, while 1-bedroom apartments have increased by 5.4 and 7.2%, respectively.

Housing starts in Edmonton in 2024 totaled 5143, a marked improvement from numbers seen in Ottawa and Winnipeg. The average house sale price was 470,447, an increase of 9.1% year over year, while the absorbed single-detached unit price was 608,805, a fall of 2.6% year over year.

The Edmonton Social Planning Council, a nonprofit organization, determined that in 2024 the living wage in Edmonton was $20.85 an hour. While this indicates a drop from the 2023 high of $22.25 an hour, this figure is still considerably higher than the 2015 figure of $17.36. The minimum wage in Alberta in 2024 was $15 an hour (Sheloff 2024).

The gulf between minimum and living wages and the cost of housing in all three cities has continued to widen over the past several years, with housing representing a greater proportion of expenditure for many. These changes have occurred across all three cities – indeed, nationwide the cost of housing has risen by over 25% for owned accommodations while the cost of renting has risen by 24% between 2021 and 2024 (Statistics Canada 2025).

Key Themes from Interviews

In this section I group and discuss the major themes arising from 3 interviews conducted with city and elected officials. Interviewee 1 (Ottawa), interviewee 2 (Winnipeg) and interviewee 3 (Edmonton) were asked a series of open-ended questions designed to facilitate discussion on the use of development charges, municipal financial conditions, infrastructure deficits and concerns regarding housing affordability. As each city faces a unique relationship with these questions – especially concerning development charges – open-ended questions allowed for the conversation to relate to the specificities of each. With insights from two elected officials and one municipal employee, different specialities were able to provide unique avenues of discussion, highlighting elements of special concern or interest.

Development Charges and Offsite Levies

Interviewees were asked about how development charges and other fees and levies designed to pay the capital costs of servicing infrastructure operate in their city. Capital levies are imposed in all three provinces on an *ad hoc* basis for developments requiring local infrastructure improvements, while development charges in Ontario and offsite levies in Edmonton constitute greater degrees of cost recovery.

When asked about the equitable share of benefit deriving from development charges, interviewee 1 noted that major capital investments in Ottawa's inner city – specifically the new central library and light rail transit expansion – have diverted spending from suburban infrastructure projects. Insufficient attention to expanding the road network connecting the city with its outer suburbs was a major point of contention between inner and outer city councillors.

In Ontario, development charge by-laws are reviewed by the development community and are, to some degree, the product of some negotiation with the City – providing a level of pushback against capital cost assessments.

" The developers have an eagle eye on what we're charging and certainly dispute costs that they consider to be inflated with the city [...] the DC by-law has been appealed [to the Ontario Land Tribunal]." [Interviewee 1]

That the development industry plays a role in checking council appraisals of capital needs assessments was not much discussed in the literature but relates to the experience of Winnipeg's unsuccessful effort to impose a development charge scheme – challenged in courts by members of the development industry. This relationship with an adversarial development industry was also substantiated by interviewee 3, who acknowledged the difficult fight to secure offsite levies in the face of developer pushback.

In Manitoba, development charges are available to municipalities governed by *The Planning Act*, which absents only Winnipeg. Winnipeg's effort to establish a form of development charge (the Impact Fee By-law) failed to account explicitly for the infrastructure spending the charge directed funds towards. Interviewee 2 spoke at length about the way capital cost funding in Winnipeg related to new development must be directly tied to a specific project, much the same as in the other jurisdictions. The failed impact fee fund sought to provide for citywide infrastructure funding needs what existing fee schedules and levies do for some specific neighbourhoods. Although rare in Winnipeg, there have been instances where new development within a neighbourhood is required to pay into a fund for future services such a road network improvement specifically for the area.

" A transportation levy effectively is an impact fee in a sense, right? It's intended for a road network, its not intended for a fire hall [...] so conceptually, it kind of goes down the same path. We don't employ that many area charges. They're not used that frequently." [Interviewee 2]

The lack of an impact fee, however, means that non-site-specific infrastructure does not receive any direct funding from new developments in the city. This is beneficial, insofar as it maintains a lower cost per housing unit but requires other funding modes to compensate. In the case of Winnipeg, where property tax increases have been kept low or stagnant for some time, finding the funds for major infrastructure renewal projects has become a challenge.

In Alberta, cities like Edmonton have been granted the power to exact offsite levies as a tool for raising capital funds. At present this tool is restricted in its use for fire halls exclusively. What are termed 'development charges' in Alberta, the fee schedule for specific capital cost projects such as sanitation and arterial road construction, are assessed against new development much the same as seen in Ontario but to a significantly lesser degree. Interviewee 3 described development charges as offsetting site-specific infrastructure needs, with little scope for application beyond specific purposes.

"We have our fee schedules and every budget cycle we pass fee schedules and included in that are various forms of development charges. I would say they take the perspective that those

fees are going directly to offset the cost of the work it takes to set up that particular development." [Interviewee 3]

The scale of the cost recovery mechanism was questioned by the interviewee, who indicated concern for the kinds of projects that need funding but do not qualify as site specific:

"   Should we not have a conversation about whether those charges are actually going to help offset the costs of the larger development, not just that individual one? That's where it gets really messy, and that's where I've seen some pushback." [Interviewee 3]

In the cases of Winnipeg and Edmonton, lacking access to the broader powers of development charges seen in Ottawa, funding for infrastructure projects related to but not located within the site of development depend on traditional funding revenues – most importantly, property taxes.

Property Tax

The subject of inadequate rates of property taxation was identified in all three interviews as a major source of ongoing stress for municipal finances. Contemporary budgetary concerns were highlighted as stemming from historically low levels of taxation. Lack of proactive maintenance was also cited as a major concern, as decades of roads, sewer and other critical infrastructure have begun to overwhelm municipal budgets.

"In an ideal world, municipal councillors would have charged the appropriate level of taxation to put those reserves away for a rainy day, but right across North America, the focus is shorter term than that, it is focused on keeping taxes low, so what we end up doing when we need to rebuild our roads is there's significant borrowing that is happening, which increases our debt." [Interviewee 1]

Years of stagnant tax raises have left Winnipeg in a precarious position when it comes to the lifecycle costs of repair and replacement of aging infrastructure. Interviewee 2 discussed the predicament, highlighting that unsustainably low levels of taxation, coupled with significant buildout of city services, roads and sewer have led to a moment of crisis.

"We have built so much infrastructure, having multiple years of a tax freeze I don't remember how many it was. Ultimately had a pretty big impact on the city. And you're seeing that now in other municipalities that are increasing their tax rates beyond what has historically been acceptable. So I think Winnipeg's really going to be challenged until we either find a way to cut services, which is never going to be popular, or increase our revenue, which also was not going to be popular. So I think we're just in a really difficult position." [Interviewee 2]

Interviewee 1 indicated that the 2025 property tax increase was necessary to meet these critical needs in Ottawa, but that raising taxes is often difficult and unpalatable. One alternative to higher rates of taxation is growth noted was expanding the taxbase. Doing so around areas with high existing service levels could introduce new development in high-value areas.

> *"If we're permissive of density around transit, more housing will be built around transit. Presumably it will have a relatively high value and we'll capture that through property taxes. That is the tool that we have, to capture it through property taxes." [Interviewee 1]*

Growth as a means of producing elevated levels of property tax without significantly raising the rate of taxation on existing homeowners was a theme also highlighted by interviewee 3. In Edmonton, there is an explicit expectation that industrial growth within the city must take place.

> *"The expectation is that industrial growth offsets our residential growth and expansion. That has been something that makes me very uncomfortable because it sort of banks on future industrial growth which, of course, is a huge tax-based generator coming in to close the gap and backfill that." [Interviewee 3]*

The interviewee went on to highlight the declining rates of industrial growth in the city, which surrounding municipalities have been competing to attract with lower rates of taxation. As the city expands and its neighbours compete to attract both industrial and residential expansion, the city is deprived of key funding while also required to improve service standards for its periphery.

Municipal Financial Constraints

All interviewees spoke to a growing crisis in the ability of Canadian cities to pay their increasing costs. Waning funding shares from higher levels of government, pressures to keep property taxes low, and lifecycle costs on existing infrastructure coming due were major themes elaborated upon by all 3 interviewees. Interviewee 1 highlighted the significant amount of borrowing that had become necessary, increasing municipal debt levels.

> *"We've been asked to do more with less on all fronts [...] we've seen a huge decline in infrastructure funding [from the province]. We're not seeing the type of investment in the physical infrastructure we need to sustain a growing city." [Interviewee 3]*

A better cost sharing agreement was something that 2 of 3 interviewees spoke to as essential for the long-term viability of their municipality's financial health. Capital costs on major transit projects were identified as crucial investments in both Ottawa and Edmonton. While aided by higher levels of government in raising capital funds for their construction, ongoing maintenance and operating costs are being shouldered by the municipalities, producing substantial unease about the cities' capacity to maintain proper service levels.

"We don't have the financial capacity or jurisdictional authority to deal with the root cause of those problems [...] we've seen a huge decline in infrastructure funding [...] in 2011 we were at about $450 per person for infrastructure funding, and that is now down to around $150 per person." [Interviewee 3]

Contemporary federal efforts to coax municipalities to drop development charges with federal funding packets were met with skepticism from Interviewee 1. The federal offer did not come close, in their estimation, to sufficiently replacing development charges.

"The feds came out with a fund that said, okay, here's a few hundred million bucks for Canadian cities to address some of their infrastructure – but you have to freeze your development fees. Even back of the envelope math says that's not worth it for cities. What we really need and what the Federation of Canadian Municipalities is pushing for all the time is some sort of guaranteed share of that bigger tax pie[...] And we need to do it in a way that's not subject to the vagaries of whatever government is in power on any given year." [Interviewee 1]

Infrastructure Deficits / Sprawl

All interviewees were asked about their thoughts on the state of their city's infrastructure and whether or not they were suffering an 'infrastructure deficit'. Each interviewee identified a lack of adequate financial reserves and inadequate streams of funding from existing property taxes to address this issue. These crises were identified by Interviewee 2 as stemming from decades of infrastructure built by the private sector coming to the endpoint of its lifecycle – now requiring major investment in order to be maintained in functioning order.

"I think there is a really important discussion to be had around really limiting sprawl in order to deal with the costs down the road of renewing infrastructure and the necessity of more sober tax policies that see us put money into reserves for that eventual renewal." [Interviewee 2]

Interviewee 2 spoke about Winnipeg's history as a low or no-growth city. Having expanded up to the 1970s, Winnipeg's municipal assets grew in kind, but soon thereafter stopped seeing the benefits of expanded residential tax revenue. Infrastructure and services reached further from the city centre, providing an increasing burden down the road for maintenance and lifecycle replacement costs.

"The point at which you don't have new growth, new taxes coming in, you're not able to pay the existing infrastructure, so I don't know where this is all headed [...] you can't afford to have the kilometers of roads or pipes and then sprawling development." [Interviewee 2]

Existing buildout of hard infrastructure such as roads, sewer and water pipes – often arriving to the municipality from the developer at no cost – becomes a substantial liability as it begins to age and require maintenance and repair. While Winnipeg is beginning to see the cost for these repairs come due, interviewee 2 highlighted conversations with colleagues in other cities who have begun to acknowledge a lack political awareness as to the coming burden.

"All local infrastructure is essentially developer-paid, the city is paying for its regional network, [which] is beginning to get lifecycled, then the developer contributions become life cycled. So that was sort of free infrastructure that now we have a cost to maintain [...] you need growth to pay for the city that you have to keep expanding. We have about a half a billion-dollar infrastructure deficit between what we should be spending on renewal versus what we're actually able to afford, so a lot of our older mature communities are seeing underinvestment in a lot of our assets and infrastructure, and because of that taxpayers down the line are going to end up paying more." [Interviewee 3]

Interviewee 1 spoke soberly of the near- and long-term outlooks for city services, identifying a growing incapacity for Ottawa's ability to commit to current levels of infrastructure repair and service provision.

"there's the economic costs, which we're grappling with right now as we have to renew Infrastructure that is far too expansive to properly address because of the development patterns that we've seen in the post-war years." [Interviewee 2]

Cost of Housing / Housing Crisis

Interviewees were asked to discuss the matter of housing affordability in their city and how it has changed over the past decade. A variety of factors were brought up as impeding housing affordability, but most conversation returned to the question of how to augment housing supply.

"It's a tough discussion because what we've seen is the provincial government's elimination of rent control has resulted in the significant creation of new rental housing. Cranes have gone up to build new towers, but the price of rental is very difficult for young people to afford." [Interviewee 1]

When asked to follow up on whether regulatory changes were a potential answer to increasing supply, the interviewee stated:

"The jury is out as to whether or not that will work. I've already heard developers talk to me about… rental buildings… thousands and thousands of units over the past three or four years have disciplined pricing to the point where developers are talking about withdrawing again from the market because they can't command a high enough price in light of a newly competitive rental market." [Interviewee 1]

Interviewee 3 spoke at length about the solutions to the lack of housing supply that Edmonton had been working on, highlighting liberalized zoning and the removal of parking minimums as major barriers that the City had worked to dismantle. By reducing the costs of the provision of parking in areas that may not require it, costs of construction (and subsequently, purchase) were improved.

Interviewee 1 discussed Ottawa's liberal zoning regulations around transit. While this effort has lead to a significant increase in the construction of new rental housing in particular areas, the interviewee noted that this has likely disciplined pricing to a degree that has discouraged similar development in the near term. Despite the tremendous increase in average rental costs over the past decade, developers feel that they cannot command a high enough price in the rental market for new construction. The interviewee recognized high interest rates as another one of the primary drivers of this anticipated slowdown in construction.

Discussion

This section provides discussion on findings across the literature review, case studies and interviews. Key themes are identified and elaborated upon. The use and interest in development charges in all three cities highlight important questions regarding municipal funding operations, impacts on housing affordability and budgetary constraints. While development charges have provided Ottawa with key revenue streams, the city is also the site of the greatest concern for housing affordability and growth. While no direct causal link has been drawn, the inevitable impacts of additional fees on new housing necessarily contribute to these issues.

In Winnipeg, low levels of capital expenditure, consistently low rates of property taxation and a lack of additional means for financing capital projects have led to major financial pressures. The failure of the 2017 impact fee means that these costs are almost exclusively carried by the annual municipal budget and transfers from higher levels of government.

Edmonton has, of the three, had the greatest reliance on property taxes, especially those coming from new industrial growth within the city. While offsite levies now provide a means of capital funding which may see expansion beyond fire halls in the future, reliance on this specific form of revenue is inherently precarious.

Development Charges and Capital Costs

Interviews confirmed the status of development charges, offsite levies and capital cost charges discussed in the case studies section. In two cases, pressure from the development industry was highlighted as an important factor in the battle to broaden these charges. Site specific infrastructure – servicing particular neighbourhoods – is provided by developers and repairs and maintenance are provisioned through levies, fees and the annual operating budgets. As with the case for fire hall construction in Edmonton provided by offsite levies, much of the infrastructure specific to particular neighbourhoods has regular funding structures which are set aside through administrative work. While capital cost projects like light rail expansion in the cases of Ottawa and Edmonton provide important city building benefits, cost projections continue to go up, increasing stress upon existing revenue streams and provoking interest in new growth-oriented revenue.

Development charges in Ottawa provide new funding streams for connective infrastructure needs like arterial roads, water and sewer. In Winnipeg and Edmonton, these are expected to be provided through expanded property taxation from new growth, both residential and industrial. For municipal services like libraries, recreation centres, and police, Edmonton and Winnipeg must earmark capital costs out of the operating budget.

These additional capital costs accrue significantly from the expansion of greenfield development. While development charges can offset these costs, the associated costs of growing the footprint of cities require far more amenities and services, stretching operating budgets across an increasing number of service points: more staff, maintenance and repair. Development charges, in this sense, enable cities to continue providing the inaugural service points and infrastructure for city expansion, but compound municipal expenses on an ongoing basis – the sustainability of which raises significant concerns. Development charges, in this case, are liable to promote municipal expansion on greenfield sites, encouraging growth patterns that we see today. While different rates for inner city development offset this somewhat, the savings in development cost are still insignificant compared to the relative cost of acquiring and carrying land within existing neighbourhoods. Despite the need to service homes across the city, property tax revenues per hectare are still dominated by inner city neighbourhoods.

Municipal Financial Pressures

All 3 cities face major financial pressures in the near term. In the case of Ottawa, property taxes have failed to increase at rates proportional to inflated costs of construction and servicing. With over 6000km in roads within the city, Ottawa's road and transit infrastructure has been stretched beyond the levels of funding required for their operation. As development charges continue to spur new capital projects related to servicing growth, assets become liabilities as the cost of operating and renewing key infrastructure adds to already stretched operating budgets.

Winnipeg suffers from issues with major capital costs for key infrastructure. As 'free' infrastructure and services provided by new development are delivered to the city, maintenance and servicing compound the problem with overstretched budgets. Parks, pipes and roads must all be added to city asset portfolios. As stated by interviewee 3, cities like Edmonton rely explicitly on nonresidential growth for increasing revenues required to maintain these assets. In the absence of better funding assistance from the provincial government, Edmonton has had to rely increasingly on these revenue sources.

Interviews with representatives from all three cities confirmed that municipal budgeting continues create new challenges as the costs of new and existing infrastructure and services increase year over year. The health of existing asset renewal funds and reserves differs between each city. In Winnipeg, major wastewater renewal projects in the north and south of the city do not have adequate reserve funds or funding sources. As the city continues to grow, gradual expansion of the tax base cannot provide for the immediate need for costly service upgrades. As stated by interviewee 2, cities that have continuously expanded in these ways are beginning to require major cuts to services, dramatically increase property taxes, or both. Interviewee 3 spoke to needing to "do more with less" while construction costs have grown significantly since the pandemic.

Property Tax and Development Charges

As seen in the literature review, property taxes are an unpopular political tool. Officials are rarely elected on the promise of increasing residents' tax burden. However, property taxes also constitute one of the most progressive forms of taxation available to governments. High property taxes have the effect of discouraging idle uses and promote better density. They are a stable tax, as property values tend not to fluctuate wildly year to year. The past two years have seen a moment of reckoning for Canadian cities, many of whom have begun to raise tax rates beyond historical levels. In the interviews, elected officials spoke to the need for a gradual rise in the levels of property taxation but also acknowledged there are limits to political feasibility. Falling revenues relative to increasing costs of servicing have compelled city councils to find new revenue streams. Development charges are especially attractive, as the costs are shifted from existing residents and hidden from new residents within the cost of new construction of owner-occupied homes and rentals. The two interviewees who were elected officials spoke confidently about opportunities to growth the property tax base through increased density without the need for dramatic increases to rates. Regulatory changes such as the removal of parking minimums and expanding opportunities for density along transit sites were cited as major avenues for compelling development within serviced areas.

Cities need to expand services upfront for new development (Dachis, 2023). This relates principally to capital cost projects – widening roads, upgrading sewers and constructing fire, emergency and police service points – which take time to reach service capacity. Even with property taxes set at sustainable levels, additional revenues would be required to facilitate service and infrastructure expansion in the interval between construction and full materialization of residential growth. As noted by interviewee 2, a lack of sufficient future services funds means that the eventual maintenance, repair and replacement costs are passed off to future budgets. While low residential property taxes have contributed to the current state of underfunding in Ottawa, Winnipeg and Edmonton, it is unlikely that property taxes could ever provide sustainable growth financing at the scale of current operation.

While residential property taxes have all increased above typical levels in each city's 2025 budget, the rate of increase belies the true levels of need. As noted in the literature review, property taxes have for decades constituted a decreasing share of municipal revenue. Although it is possible for municipalities to increase tax rates substantially, the political feasibility of doing so remains low. As municipalities compete with one another for investment and growth, stable, low rates of taxation produce an advantage. Were a city forced to dramatically increase property taxes it would be likely to affect popular resistance and exodus to smaller neighbouring municipalities.

Growth

Growth has the dual function of driving near-term revenue while simultaneously expanding long-term costs. In all 3 cases, financial viability is built upon a growth model that requires the city to continue expanding both residential and (in the cases of Winnipeg and Edmonton) industrial development. Winnipeg's history as a low growth city has likely contributed to the particular challenges it faces now: having an extensive network of roads, sewers and services without the associated tax growth has led to major questions about the viability of maintaining existing development patterns.

The City of Winnipeg has, relative to Ottawa and Edmonton, relatively modest budgets. Low capital spending maintains a focus on major replacing and expanding key infrastructure, like water treatment plants and the Arlington bridge which collapsed in 2023. These costs, critics argue, are the result of ongoing underfunding for maintenance and repair of key infrastructure (Dear Winnipeg, 2025). As a prairie city, Winnipeg is unconstrained by natural geographic boundaries, and growth in its urban footprint has long been the subject of consternation (Lennon & Leo, 2001). Decades of sprawl have increased the City's infrastructure assets without providing the necessary levels of density required to finance their maintenance and repair.

The City of Ottawa has recently approved a new suburban development in the south end. Forecasts indicate that this will cost the City $596 million dollars to extend water and sewer infrastructure in preparation for the development (Saravanamuttoo, 2024). While the City has announced the application of a site-specific development charge at $44,000 per household, water and sewer rates from the city-wide development charge schedule can amount to only $12,000 per household. With an anticipated 7200 new homes, capital costs for the development will require substantial financing from City budgets. The presence of development charges mutes the full impact of suburban growth patterns outside the greenbelt, but partial costs to both the capital and operating budget will be shared across the city.

This state of affairs was addressed by all 3 interviewees, recognizing a need to shift growth patterns towards greater residential density. This has the benefit of lowering per capita costs of service while reducing the network of hard infrastructure. Sprawl, identified by interviewee 2, has become a major financial liability which cannot sustain itself. Interviewee 3 claimed a $500 million dollar infrastructure deficit in the City of Edmonton – the disparity between current spending on maintenance and renewal and true maintenance costs – that have come from decades of infrastructure buildout, while interviewee 1 raised concerns about council's ability to fund transit services across Ottawa's urban footprint.

While interviewee 1 spoke to the hope that new development around transit sites would be assessed at a higher value and therefore produce higher amounts of tax revenue, it is important to note that since mill rates are set against the total assessed value in a municipality, this would only serve to displace payment from other existing residents, not add to municipal revenues, without a concomitant rate increase. The advent of growth offsetting the rising cost of services is contingent on both tax rate increases and a significant prioritization of density.

Development charges in Ottawa offer different rates for inner and outer city growth, but not substantially enough to offset low land values at the periphery. Additionally, that they are charged per unit punishes denser forms of development, irrespective of the servicing requirements. A triplex in Ottawa's Centretown, for example, may house new residents far less likely to require infrastructure for cars, providing economizing effects on other city services. Interviewee 1 highlighted that urban residents have, in recent years, benefited from projects financed in part by development charges.

Housing Affordability Crisis

Few concrete notes were offered by interviewees on housing affordability, although both interviewees 1 and 3 discussed it at length. It is clear that housing affordability is a concern in the cities of Ottawa and Edmonton. It is difficult to isolate for the effects of development charges – as they exist in Ottawa but not Edmonton – on this question. Ottawa's fee schedule provides a clear indication of the direct costs passed onto homebuyers and, by extension, renters, but does not account for the potential stalling effects upon home construction. Similarly, it is difficult to isolate for the impact of policy directives like the recent comprehensive renewal of Edmonton's zoning by-law, a policy that is likely to stimulate dense growth within existing serviced areas, improving housing supply and reducing costs of development (Municipal Benchmarking 2024 Study, 45). The lessons derived from the budgetary analysis and the interviews indicate that housing affordability is intrinsically linked with matters of municipal finance. The direct costs added by development charges constitute a first order impact on housing affordability, while their abetting of ongoing growth patterns creates long term second order effects by way of commanding increases to municipal revenues without concomitant service benefits.

Conclusion

In answering the research questions established at the beginning of this project, it is clear that municipalities like Ottawa have taken to development charges for several reasons: overextended infrastructure has put tremendous strain on politicians who hope to keep property taxes low while needing to finance annual operating budgets. Alternative funding mechanisms provided by the provincial government are few, and development charges in Ontario have proven tremendously popular as an expanding revenue stream. By leveraging strong demand for new housing, cities like Ottawa are able to secure much needed revenue. Winnipeg's desire to establish their own impact fee can be traced to similar interests, while Edmonton strains to make use of the relatively meagre powers of offsite levies granted in the face of declining revenue sharing from the provincial government. The maxim 'growth pays for growth' proves to hold true beyond its intended proscriptive meaning: the historical growth models of cities like Ottawa, Winnipeg and Edmonton have been backstopped by expanded tax bases, though insufficient to meet long term maintenance needs. Rather than growth directly paying for itself, growing tax bases have led to growing capital budgets, expanding the geographic footprint of the cities. Development charges, while offsetting the capital costs of these patterns of growth, serve to encourage the misconception that capital costs are the true barrier to continued sprawl. Without development charges, municipalities are left with few options outside of property taxes for funding growth and the associated costs of development. This worrying state of affairs demonstrates the allure of development charges (and impact fees), but suggests a profound need for new funding models which do not come with the associated impacts on housing affordability. In the case of Ottawa – where development charges operate with significant force – these impacts are, on the first order of impact, clearly spelled out in the fee schedule. Second order impacts can be felt on the cooling effects on new housing construction. While these effects have proven difficult to measure, it is undoubtedly the case that adding new budget items for development would impact the feasibility of some number of projects. In a moment where housing affordability is already a major social concern, adding new costs to the production of housing is a decidedly poor response to the municipal funding crisis.

Limitations

Given the selected methods, it was difficult to take a methodical approach to the question of housing affordability. The impacts of development charges upon affordability would benefit from an economically oriented focus, comparing data sets and policies. Real estate market reports could be analyzed to assess the health of each housing market.

The identification of a keen focus was also hampered by the discursive nature of the inquiry: developing from a study of land value capture techniques used in mid-sized Canadian cities, this focus on development charges developed late in the research process.

Owing to unanticipated events, this project was hampered by methodological limitations, principally regarding the interviews. Ideally, a greater number of interviews with municipal officials and councillors would have granted more data for analysis from which to develop. Questions, more sharply attuned to the specificities of each city's context, could have the potential to provide a greater depth of insight into financial constraints and housing unaffordability.

As such, the project has worked to provide an overview of key themes and the relationships between them from which future research might depart.

Recommendations and Further Research

Future research on the question of housing affordability would be well served to investigate the demographics most affected by development charges. An analysis weighing the relative benefit of capital budget expenditures for low income, racialized or otherwise disadvantaged people could produce interesting insights into new ways for cities to orient their growth strategies.

This research indicates a double bind when it comes to municipalities and property taxes. Without alternative means for raising revenues, cities turn to the tools given to them. It is necessary for higher levels of government to begin to provide new revenue options for growing municipalities. Future research would do well to analyze popular proposals, such as dedicated shares of provincial income tax, in order to ensure regressive taxation strategies do not come to dominate municipal revenues.

It is vital that cities begin to revisit existing growth models. As seen in this research, contemporary structures of growth stress municipal budgets into making difficult decisions: service cuts, deferred maintenance and inequitable distribution of benefits harm the long-term viability of Canadian cities and the residents who people them. Development charges allow cities to continue to sprawl, shifting wealth from new and poor residents not upwards, but outwards. Adding kilometers to an expansive network of roads and pipes comes with a tremendous opportunity cost: future research may care to focus on analyzing the total costs of these development patterns and contrasting with alternative investment priorities.

Final Thoughts

While this research has garnered greater insight into questions of financial sustainability than housing affordability, the two are inherently linked in a number of ways: sprawling urban development has catalyzed a low-density land-use pattern which in turn requires an expanded network of infrastructure. Expensive growth patterns lead to expensive housing options, and as the cost of maintaining the constituent infrastructure continues to mount, so too does the burden shouldered by residents: services begin to decline while rents go up and while homeowners see more expansive property tax bills. Development charges present an attractive opportunity for cities to obtain funding for important spending priorities but come at the cost of exacerbating an already crisis-level housing affordability problem. Housing affordability cannot be achieved, under present circumstances, without municipal financial sustainability. Cities must redouble efforts to direct new growth within existing infrastructure networks, while higher levels of government must begin to accept a greater share of responsibility for municipal funding. Absent a radical reimagining of the provision of housing, the cost of development will continue to have a significant impact on the cost of housing for scores of urban residents.

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Figure 2: From City of Ottawa 2025 Draft Budget Explorer (see references).

Figure 3: From City of Winnipeg Multi-Year budget: 2025 Update (see references).

Figure 4: From City of Edmonton's Open Budget Tool (see references).

Table 1: Assembled by author from data derived from City of Ottawa 2025 Draft Budget Explorer (see references).

Table 2: Assembled by author from data derived from Multi-year budget: 2025 Update (see references).

Table 3: Assembled by author from data derived from City of Edmonton's Open Budget Tool & 2025-2026 Approved Operating Budget (see references).

Appendices

Appendix A: Interview Question Guides

Guide 1: Elected Officials

1. Can you please share how many years you've been on city council or involved in municipal politics?
2. Development Charges
    a. Could you provide a rough overview of how Development Charges work in your city?
        i. How are DCs calculated and presented to City Council?
    b. Can you talk a little bit about why these charges keep getting raised?
    c. Do you see any impacts on housing development in the city?

3. City’s financial picture
    a. How would you describe the state of the municipality’s finances?
    b. Do you see any untapped funding opportunities?
4. Housing crisis
    a. Can you speak a little bit about the challenges faced by renters and people looking to buy their first home today?
5. State of Infrastructure
    a. What are some challenges the city faces in providing new or renewed infrastructure for urban residents?
6. Is there anything we haven’t covered that you would like to share or would note as being important?

Guide 2: City Employees

1. Can you please share how many years you’ve been employed in your current position and how many years you’ve been employed by the City?
2. What development charges are applicable to new development in your city?
3. How are infrastructure projects financed in your city?
4. City’s financial picture
    a. How would you describe the state of the municipality’s finances?
    b. Do you see any untapped funding opportunities?
5. State of Infrastructure
    a. What are some challenges the city faces in providing new or renewed infrastructure for urban residents?
6. Housing Affordability
    a. How have rental prices increased since you’ve been on council?
    b. What do you think are the primary drivers of housing unaffordability?
7. Is there anything we haven’t covered that you would like to share or would note as being important?
8. Winnipeg Specific: Can you tell me about the impact fee bylaw, how it was meant to function and what it was intended to do?

Appendix B: Consent Form

CITY 7050 CITY PLANNING CAPSTONE PROJECT
Department of City Planning, Faculty of Architecture
Course Instructor: Dr. Rae Bridgman

This Consent Form, a copy of which will be left with you for your records and reference, is only part of the process of informed consent. It should give you the basic idea of what the research is about and what your participation will involve. If you would like more detail about something mentioned here, or information not included here, you should feel free to ask. Please take the time to read this carefully and to understand any accompanying information.

Study Title: Development Obligation Strategies in Mid-sized Canadian Cities

Student Principal Investigator: Evan Ferguson, Master's level student in the Department of City Planning, Faculty of Architecture, University of Manitoba.

Student Advisor: Dr. Rae Bridgman, Professor in the Department of City Planning, University of Manitoba. rae.bridgman@umanitoba.ca

Conflicts of Interest and Undue Influence

Evan Ferguson does not have any conflicts of interest in this research project.

You are being invited to participate in a research study. This consent form is only part of the process of informed consent. If you want more details about something mentioned here, or information not included here, feel free to ask any of the people named above. Please take the time to read this document and any accompanying information carefully. It is very important that you understand:

• what is being asked of you,

• what the risks and benefits of participation are, and

• how the information you provide will be used and stored

Purpose of Study

This project will investigate various policy tools used by municipalities to derive funding from new development, providing a comparative analysis of strategies used in mid-sized Canadian cities. Taking a comparative approach, I will analyze tools such as development charges, developer contributions, and how their application in the cities of Edmonton, Winnipeg and Ottawa intersect with the development process and the ongoing crises in housing affordability and municipal finance.

Study Procedures

If you decide to take part in the study, we will conduct an interview lasting between 30 and 60 minutes over the University of Manitoba secure Zoom platform. An audio recording will be done in order to access the automated Zoom transcription of the interview. Both the audio recording and the transcription will be destroyed before the end of the project (06/25).

Study Risks

The risk of participating in an interview is no greater than risks encountered in everyday life. One potential risk is a breach of confidentiality: that information may be shared in ways that enable you to be identified. To minimize the risk of this occurring, the following procedures will be undertaken: audio recording and transcription will be stored in a secure folder on a password-protected computer and subsequently destroyed at the end of the project (before 06/25).

Study Benefits

Direct benefits may include the opportunity for participants to share their perspective on a planning issue or challenge. Indirect benefits are that the final Capstone Projects will contribute to planning knowledge and may result in new strategies or policy directions to address planning issues and challenges.

Compensation

There is no compensation for this study.

Use and Storage of Information

All the information you provide as a participant in this study is confidential which means we as the research team must keep it safe. We will do our best, however, it is not possible to guarantee absolute confidentiality. We will only share your personal information if required (court order or law).

Your information will be stored in a secure folder on the OneDrive platform approved by the University of Manitoba, accessible to the principal investigator and the research supervisor. We will have a file that links your name to your information using a code. We will keep the file with your name, contact information, and code separate from the research information you share with us. We will destroy any information that identifies you (name, contact information) by 01/06/25. Your research information will not be shared with anybody outside the research team. All email correspondence will be stored in the secure University of Manitoba email server, and promptly deleted before the culmination of the project (06/25).

Dissemination

Information collected from participants will be used as part of the Capstone Project. Unless explicitly permitted, all names and other identifying details will be obscured/anonymized. The results from this project, including anonymized details, may be used for conference presentations and/or publication in journals and other academic and professional resources. Students' completed Capstone Projects will be publicly available through the University of Manitoba's website. Data collected from interviews will be used in paraphrased or direct quotes, attributed to coded identifiers (e.g. planner 1, researcher 2, etc.). Participants may access the written report when it is published on the department website, or may receive an executive summary, if requested, by 06/25.

Withdrawing

Your participation in this research study is voluntary. You can choose to do only the activities and/or answer only the questions that you are comfortable with. You may withdraw from the study for any reason. You do not have to explain why. You will not be penalized in any way. Should you withdraw partway through the study, all of your information will be destroyed unless you have consented to allowing us to keep it. You may withdraw from the study until 03/25. After this date, the written report will have been drafted so it may not be possible to withdraw your information. To withdraw, please contact Evan Ferguson at the phone number or email above or Dr. Rae Bridgman by email above.

Questions or Concerns

Designated University of Manitoba personnel may check that this study is being done safely and properly. To do this, they may visit the study site or review the research records. We will tell you if someone outside the research team will be there while you are participating. If this makes you uncomfortable, please tell a member of the research team, who will ask the personnel to return at another time. This study has been reviewed and approved by a Research Ethics Board at the University of Manitoba. However, this does not mean that participation is risk-free. If you have questions about your rights as a research participant, you may contact the Office of Human Research Ethics at humanethics@umanitoba.ca or (204) 474-7122. If you have any questions, concerns, or complaints about this study, you may contact any members of the research team listed on the first page or the Office of Human Research Ethics.

Consent

By signing this document, I agree that:

• I have read the above information or had it read to me.

• I have had the opportunity to ask and have answered all of my questions.

• I understand what is being asked of me.

• I will be taking part in a research study.

• I may freely stop or leave the research study activities at any time.

• My information may be shared outside the University of Manitoba.

• I do not waive my legal rights by participating in the study.

Notice Regarding Collection, Use, and Disclosure of Personal Information

Your personal information is being collected under the authority of The University of Manitoba Act. The University of Manitoba is committed to preserving your right to privacy. The information you provide will be used by the University to support our research. Your personal information will not be used or disclosed for other purposes, unless permitted by The Freedom of Information and Protection of Privacy Act or The Personal Health Information Act. If you have any questions about the collection of personal information: Ph: 204-474-9462 or Email: fippa@umanitoba.ca

Summary of Results

A copy of the final report will be provided if requested below.

I agree to participate in this study.

Yes ☐ **No** ☐

I agree to be audio-recorded in this study.

Yes ☐ **No** ☐

I would like to receive a copy of the final report. If yes, please provide your email address or mailing address below.

Yes ☐ **No** ☐

Name of Participant:

______________________________ ______________________

Signature of Participant Date

Subject Line: Seeking Interviews for Master’s Research Project

Hello,

I am hoping to interview you regarding your expertise in the planning field for my Capstone research project.

I am a master's level student at the University of Manitoba Department of City Planning writing a research project focused on the subject of land value capture, investigating strategies such as development charges and developer contributions used in Edmonton, Winnipeg and Ottawa to produce public financial benefit from new development. The project is titled *Maximizing Public Benefit: Strategies for Land Value Capture in mid-sized Canadian Cities*.

If interested, you would be asked to complete a 30–60-minute interview over Zoom, sharing your thoughts and experiences on the subject.

The project is being supervised by Dr. Rae Bridgman, Professor in the Department of City Planning. She can be contacted at rae.bridgman@umanitoba.ca.

The study has been reviewed and approved by the University of Manitoba's Research Ethics Board 2. They can be contacted at humanethics@umanitoba.ca. Research confidentiality will be assured throughout the project.

If you are able and willing to participate, please let me know by replying to this email.

Thank you,

Evan Ferguson

Master of City Planning Student

University of Manitoba

fergus50@myumanitoba.ca

University of Manitoba

If response is a yes…

Your willingness to participate is greatly appreciated. Please note that you retain the right to withdraw your participation at any time up to the point that the project's first draft is submitted.

What is a convenient time for us to conduct the interview?

Response

Thank you, I look forward to meeting. I will be sending you an informed consent form with greater details on the research project for your signature. Please feel free to reach out to me if you have any questions, concerns or points of clarification.

If no…

I understand and appreciate your decision. Thank you for taking the time to respond. I hope you have a wonderful day.