



City of Brandon Development Charges FAQs

The City of Brandon is a growing community. With growth comes the requirement for new municipal infrastructure. Development Charges are one way to pay for new infrastructure.

Q: Why does Brandon need a Development Charges By-law?

A: Developers are responsible for constructing on-site infrastructure within the boundaries of new neighbourhoods. The City is responsible for construction off-site infrastructure outside the boundaries of new neighbourhoods. Through the Development Charges By-law, the City collects development charges to pay for the construction of off-site infrastructure related to growth. Development Charges provide a consistent and transparent method of funding the construction of these services.

Prior to the implementation of a Development Charges By-law, the following revenue sources were used to pay for growth:

- General tax revenues
- Utility revenues
- Negotiated site-by-site contributions from developers

Q: Why is it important to grow a city?

A: Growing a city is essential for several key reasons, mainly tied to economic vitality and quality of life.

- **More Jobs:** City growth attracts businesses and industries, creating jobs for residents and newcomers.
- **Attracting Talent:** Growing cities attract educated and skilled workers who in turn enrich the city they have chosen.
- **Increased Tax Revenue:** A larger population generates more tax revenue, which can fund public services and amenities, along with replacing and preservation infrastructure.
- **Housing Development:** Growth encourages housing development, increasing options and price ranges for residents.
- **Diversity and Cultural Exchange:** Growing cities tend to attract people from diverse backgrounds, enhancing cultural richness, the arts, and food choices.

Q: Do all communities have Development Charges?

A: Many communities across Canada seek to recover the cost of growth-related infrastructure by imposing “capital charges” on new development and redevelopment of property. However, the name of the revenue tool varies between provinces (e.g. Development Charges, Offsite Levies, Development Levies, etc.). Some examples of Manitoba municipalities and small prairie cities that implement capital charges are:

- East St. Paul
- Headingly
- Steinbach
- Lethbridge
- Prince Albert
- Medicine Hat

Q: How are Development Charges rates calculated?

A: The total infrastructure cost to service projected growth in the City of Brandon over the next 20 years (with reductions for grants and benefits to existing neighbourhoods), is divided by the projected growth population and non-residential growth that will benefit from the new infrastructure within the same forecast period. The residential rate is applied as a per dwelling unit charge and the non-residential rate is calculated as a per square footage charge.

While Brandon includes transportation, land drainage, water and wastewater infrastructure in their Development Charges calculation, other communities also include infrastructure costs related to transit, recreation and emergency services.

Q: Who will have to pay Development Charges?

A: Those applying for the construction of new buildings would pay Development Charges on a per unit basis for residential development or square footage basis for non-residential development at the time of building permit. This would not include replacement buildings with no net increase impact on infrastructure (e.g. no increase to residential units and/or non-residential floor area).

Q: How will Development Charges be applied?

A: The funds collected by the Development Charges will be used to construct growth-related transportation, wastewater, water, and land drainage improvements identified in the capital plan.



All money collected is placed into a reserve fund for a specific service (i.e. transportation charges into a transportation reserve) and must be invested in the particular service for which the money was originally collected.

Q: Why are Development Charge rates increasing in Brandon?

A: Several factors have contributed to Development Charges increasing over the last five years with the following being key factors:

- Recognized costs of water treatment infrastructure
- Revised project estimates
- Higher than estimated tender and construction costs
- Inclusion of debenture financing costs
- New city-wide transportation charge

Q: Who may be impacted by Development Charges increasing?

A: City Administration recognizes that the proposed increases to rates will be an increase cost for businesses within the development community.

Further to that, taxpayers and rate-payers will be impacted through the City's decision to borrow funds for recent growth-related projects (e.g. Southwest Lift Station, Southeast Drainage). While city revenues may assist in paying down a project's debt today, Development Charges will eventually offset future rates by paying back their share of borrowing costs.

Taxpayers and rate-payers will also be responsible to fund the portion of a growth-related project which is attributable to asset management practices of existing infrastructure. This would include the maintaining or replacing an existing asset or remedying an existing service deficiency within the City.

Q: Why is the City maintaining an Established area and Emerging area-specific charges instead of a City-wide charge?

A: The Established and Emerging area-specific charge methodology was selected as Administration believes it to be the most equitable rate structure for the City of Brandon. This option promotes infill development, without adding an additional stressor to redevelopment of existing neighbourhoods, including the downtown as this area already faces a variety of social challenges. From an asset management perspective,

promoting the densification of the Established area can provide the highest return on investment to the City.

The Established area currently has minimal impact on the Development Charges capital project list for water, wastewater and land drainage network infrastructure, making it difficult for Administration to advocate for a city-wide charge for those services at this time.

Q: Why is the City considering grant offsetting in the calculation of Development Charges rates?

A: The grant offsetting assumption in the proposed rate calculations only apply to water and wastewater treatment infrastructure as grants have historically been more readily available for treatment as opposed to network infrastructure.

This grant assumption is a risk to both the City and the Development community in attempts to maintain housing affordability to support growth in Brandon. The City will endeavor to pursue grant funding; however, there is potential that without grants, the treatment projects will not proceed and development will be delayed or halted without a source of additional funds. Future Development Charges will be impacted should the funding received vary from the assumed grant allocations.

Q: Why have Development Charges been reduced since the first revision of the proposed rates back in Fall 2023?

A: Since the original stakeholder meetings in November 2023, the following key revisions were made to the Development Charges calculations:

- A City-wide charge was replaced with an area-based charge for wastewater, water and land drainage network infrastructure.
- Removal of projects, or portion of projects, that benefit the Industrial Growth Area or are deemed to be beyond the 20-year Development Charges capital plan.
- Upcoming treatment projects were updated to assume 50% grant funding.
- Grant funding was revised or removed for ongoing projects.
- Gross capital costs were updated with new project estimates, contract values and final project costs.