

October 17, 2025

Clerk’s Office  
 City of Kawartha Lakes  
 Lindsay, Ontario, K9V 5R8

## RE: Proposed Development Charges Increases in Lindsay Urban Northwest Trunk Area, Non-Residential Rates

urbanMetrics inc. (“we”, “our”) is an Ontario-based land economics and municipal advisory firm. Our firm has a long-standing track record with commercial market feasibility, local and regional economic development and municipal finance.

We have been retained by **SmartCentres REIT** (“our Client”, “SmartCentres”), to review and assess the implications of a proposed development charge increase for the City of Kawartha Lakes, Ontario. A new Development Charge Background Review Study (“the Watson Study”, “the DCBS”) was tabled on September 17, 2025. The municipality has circulated the document for public comment and input. The deadline for comments is October 17, 2025, at 12PM.

If approved, a new municipal development charge by-law would come into effect on January 1<sup>st</sup>, 2026.

### Background

Our client intends to secure a commercial interest in a **6.54-hectare (16.2-acre) parcel** of land in Kawartha Lakes (Lindsay), located on the east side of Highway 35, south of the proposed Sylvester Drive extension.

Our client has been actively advancing a commercial shopping centre development project on the subject lands, which comprise a total gross floor area (GFA) of **18,496 square meters (199,000 square feet)**. The concept includes a major store anchor “Building A” comprising 13,260 sm (142,725 sf), plus another seven (7) commercial structures – referred to as “Buildings B to H”- ranging in size from 240 sm to 1,662 sm.

The DCBS has established a new non-residential commercial rate structure calculated at \$319.58/square meter for the Lindsay Urban Northwest Trunk (Urban-NWT) municipal service area, the area within which our client’s proposed development is situated.

The proposed escalation represents a 54.4% increase compared to the prevailing rate.

	Existing Non-Residential Rate (\$/SM)*	Proposed Non-Residential Rate (\$/SM)**	Change
Lindsay-Urban NWT	207.15	319.58	↑ \$112.70 (54.4%)

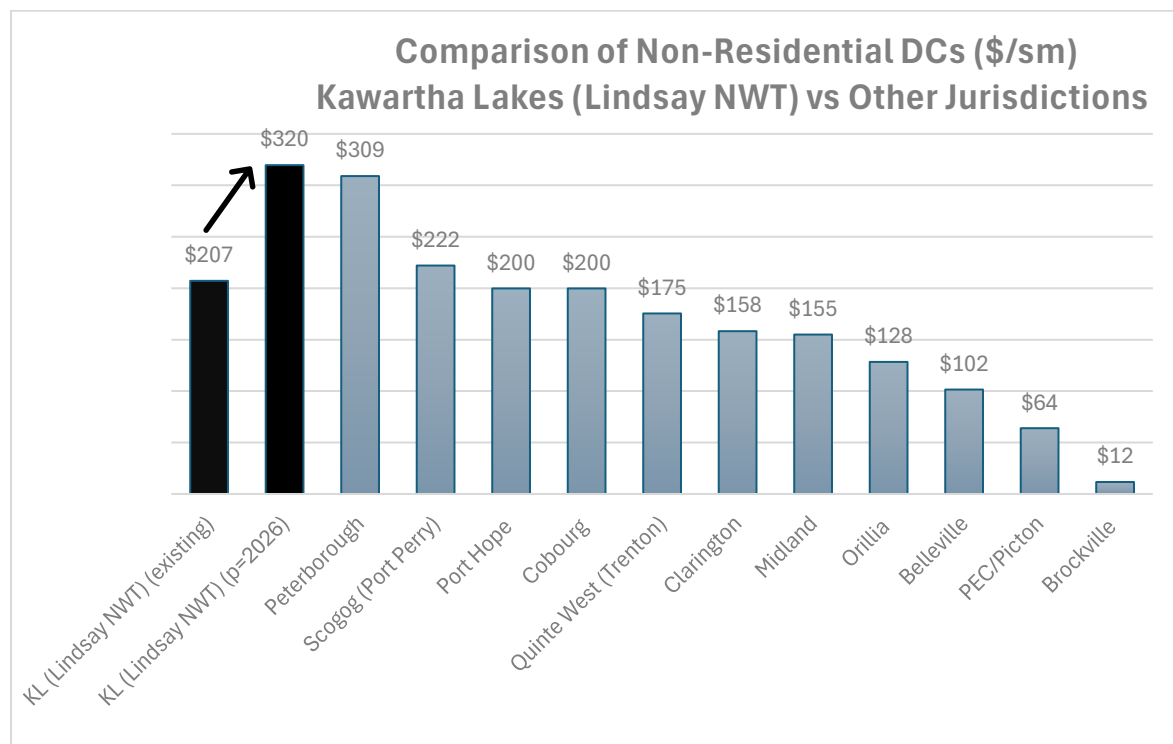
\*Kawartha Lakes By-law 2019-184 // \*\* DCBS, September 21, 2025 (proposed effective date Jan. 1 2026)

## Impact on Viability & Competitiveness

The proposed non-residential DC, if approved by Council, signifies a concerning increase and would cause substantial financial harm to our client's development pro forma. This pro forma has guided planning and preconstruction efforts, including lease negotiations, construction cost assumptions, and project timing.

The scale of increase, including its abrupt implementation without phasing on January 1, 2026, will have a detrimental impact on SmartCentres' development pro forma by materially raising overall costs, reducing return on investment, and ultimately putting at risk the realization of new, signature retail property in Lindsay.

It is our opinion that the proposed rate also exposes Kawartha Lakes (and Lindsay in particular) as a high-cost location for business set-up and investment. At \$320/sm, the municipality faces reputational exposure as a non-competitive jurisdiction, particularly for other large-scale non-residential (industrial) investments, potentially freezing out other growth opportunities which our clients- and their *tenants* will expect.



urbanMetrics, based on posted rates (as of October 2025). Rates represent City-wide grand totals for non-residential Gross Floor Area. Where special area rates apply, the median rate has been denoted (i.e. Peterborough).

While we fully acknowledge that various intervening factors influence the establishment of DC rates, thus making like-for-like comparisons difficult, it is our professional opinion that prioritizing a competitive DC rate structure is essential to guide and support balanced urban growth. Prioritizing cost competitiveness is particularly salient now, given that development activity has largely halted altogether.

In addition to our concerns with the proposed rate increase, the proposed DC by-law further harms the viability of commercial redevelopment by removing a discretionary exemption for commercial buildings. Pursuant to Section 5.04(c) of the current DC by-law, “the first 2,500 square metres of gross floor area of a single commercial building or structure” is not subject to development charges. The inclusion of this exemption in the current DC by-law incentivizes new commercial development in Kawartha Lakes and was attractive for our client in their decision to pursue a commercial redevelopment opportunity in Lindsay. The removal of this discretionary exemption under Section 5.02 of the proposed DC by-law threatens to decelerate new commercial investments. It directly undermines the viability of our client’s plans in Kawartha Lakes (Lindsay).

### Why this Matters

Together, the proposed development charge rate and the removal of the discretionary exemption for commercial GFA would increase our client’s project costs by **\$3.8 million**, raising it from \$2.4 million to \$6.2 million, resulting in a **157% increase in DCs**.

The City of Kawartha Lakes approved its five-year strategic planning in Q1:2024. The plan recognizes the importance of enabling a vibrant and growing economy and creating an exceptional quality of life for residents.


Our client aims to establish commercial uses in lockstep with local growth prospects and provide new opportunities for local job creation within Lindsay. The imposition of exceedingly high development charges, however, represents a challenging roadblock for timely commercial investment in Lindsay, particularly during a period of economic uncertainty.

### The Request

urbanMetrics, on behalf of our client, requests that the Mayor and Council carefully consider the implementation of the proposed non-residential DCs. SmartCentres remains hopeful that Staff and elected representatives will be able to work collaboratively over the next few months toward a DC rate structure that secures the financial viability of their Lindsay project—ideally, one predicated on the existing rate, which is still in effect. Moreover, we request that the discretionary exemption for commercial buildings be retained in the proposed DC by-law to support a growing economy for Lindsay and Kawartha Lakes.

**Please add my name to the list of speakers on this item.**

Respectfully Submitted,



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