

Special Meeting of Council Agenda

Date: Wednesday, June 17, 2026

Time: 11:00 o'clock a.m.

Location: Council Chambers, 1st Floor, Windsor City Hall

All members will have the option of participating in person in Council Chambers or electronically and will be counted towards quorum in accordance with Procedure Bylaw 98-2011 as amended, which allows for electronic meetings. The minutes will reflect this accordingly. Any delegations have the option to participate in person or electronically.

MEMBERS:

Mayor Drew Dilkens

Ward 1 – Councillor Fred Francis

Ward 2 – Councillor Frazier Fathers

Ward 3 - Councillor Renaldo Agostino

Ward 4 – Councillor Mark McKenzie

Ward 5 - Councillor Ed Sleiman

Ward 6 - Councillor Jo-Anne Gignac

Ward 7 – Councillor Angelo Marignani

Ward 8 – Councillor Gary Kaschak

Ward 9 – Councillor Kieran McKenzie

Ward 10 - Councillor Jim Morrison

ORDER OF BUSINESS

- | Item # | Item Description |
|---------------|---|
| 1. | ORDER OF BUSINESS |
| 2. | CALL TO ORDER |
| 3. | DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF |
| 4. | COMMITTEE OF THE WHOLE |
| 9. | REQUESTS FOR DEFERRALS, REFERRALS OR WITHDRAWALS |
| 10. | PRESENTATIONS AND DELEGATIONS |
| 11. | REGULAR BUSINESS ITEMS |
| 11.1. | Application to the Development Charge Reduction Program, Trade Diversification Corridors Fund, and Build Communities Strong Fund – City Wide (C 84/2026) <i>Author: Janice Guthrie, Commissioner, Finance & City Treasurer</i> |
| 12. | CONSIDERATION OF COMMITTEE REPORTS |
| 12.1. | (i) Report of the Special In-Camera meeting or other Committee as may be held prior to Council (if scheduled) |
| 13. | BY-LAWS (First and Second Readings) |
| 13.1. | By-law 97-2026 - A BY-LAW TO CONFIRM PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE CITY OF WINDSOR AT ITS SPECIAL MEETING HELD ON THE 17TH DAY OF JUNE, 2026. |

14. MOVE BACK INTO FORMAL SESSION

16. THIRD AND FINAL READING OF THE BY-LAWS

By-law 97-2026

21. ADJOURNMENT



Subject: Application to the Development Charge Reduction Program, Trade Diversification Corridors Fund, and Build Communities Strong Fund – City Wide

Reference:

Date to Council: June 17, 2026
Author: Janice Guthrie
Commissioner, Finance & City Treasurer
519-255-6100 ext. 6271
jguthrie@citywindsor.ca

Financial Planning
Report Date: 6/15/2026
Clerk's File #: SW/15181

To: Mayor and Members of City Council

Recommendation:

- I. THAT City Council **SUPPORT** the submission of project proposals and applications to each of the following: the Development Charges Reduction Program (DCRP), Trade Diversification Corridors Fund - Streams 2 & 3 (TDCF), and the Build Communities Strong Fund – Direct Delivery Stream (BCSF-DDS) for projects that both strategically align with the funding criteria and maximize external funding opportunities under each of the noted programs; and,
- II. THAT the Chief Administrative Officer **BE AUTHORIZED** to sign any documents required to submit the application(s) to the DCRP, TDCF, and the BCSF-DDS, subject to all documents being satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Engineer, or designates; and,
- III. THAT, should the City be invited or requested to submit any further application materials, supporting documentation, revised submissions, or full application(s) in relation to the DCRP, TDCF, or BCSF-DDS, the Chief Administrative Officer **BE AUTHORIZED** to sign and submit such documents, subject to all documents being satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Engineer, for their respective project(s), or designates; and,

- IV. THAT the City Treasurer **BE AUTHORIZED** to sign and submit any financial related documents as may be required in support of application to the DCRP, TDCF, and/or BCSF-DDS, subject to all documents be satisfactory in form to the City Solicitor and in technical content to the City Engineer, or designates, as appropriate; and,
- V. THAT the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to take any such action and to sign any agreements, declarations, approvals, amendments, and any other documents resulting from receiving funding under the DCRP, TDCF, and/or the BCSF-DDS, subject to all documents being satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Engineer, or designates; and,
- VI. THAT the Chief Administrative Officer **BE AUTHORIZED** to delegate signing of all claims, progress reports, financial reports, schedules, and any other documents as may be required as part of receiving funding in relation to the DCRP, TDCF, and/or BCSF-DDS, to the City Engineer and/or the City Treasurer as appropriate, subject to financial content approval by a Deputy Treasurer or a Financial Planning Manager, or designate; and,
- VII. THAT as a required condition for application to the DCRF, City Council **SUPPORT IN PRINCIPLE** a reduction in residential Development Charge (DC) fees by 70% for all residential development types, inclusive of residential developments which are considered within both the City Wide and Sandwich South designated areas and excluding Area 1 residential which are to remain 100% exempt, for a period of 3 years, retroactive to March 30, 2026, and that the required reduction **ONLY BE IMPLEMENTED** upon notification of successful application of all projects to the DCRF and which contains conditions that are beneficial to the City at which time the City Solicitor **BE DIRECTED** to prepare the appropriate Development Charges amending by-law; and,
- VIII. THAT should the City be notified that application to the DCRF, TDCF, and/or BCSF-DDS has been approved, and the conditions of funding are beneficial to the City, that City Council **APPROVE** the following:
- a. THAT the City Engineer and City Treasurer jointly **BE AUTHORIZED** to reprioritize capital projects submitted for consideration under each of the DCRF, TDCF and/or BCSF, including the creation of new capital projects that align with current Council-approved capital budget priorities, in order to maximize funding opportunities, subject to that reprioritization not exceeding approvals provided for in previous and the current 10-year capital plan, inclusive of funding identified as approved-in-principle as part of the 2026 Approved Capital Budget; and,
 - b. Where such adjustments allow for the maximization of funding and funding allocations, THAT the City Treasurer **BE DIRECTED** to affect any required

changes to the capital budget for capital projects brought forward for consideration under the DCRF, TDCF and/or BCSF in order to meet the requirements of the applicable funding program, including:

- i. The pre-commitment of funds identified in years 2027 through 2035 of the 2026 Approved Capital Budget which are currently approved-in principle, with funding in years 2027 - 2030 being made immediately available and funding in years 2031 – 2035 being pre-committed as it becomes available within the 5-year pre-commitment window; and,
 - ii. The redistribution of funding allocations for capital projects brought forward for consideration under the DCRF, TDCF, and/or BCSF where such adjustments allow for the maximization of funding and funding allocations, so long as the total City funding provided in the 2026 Capital Budget remains intact; and,
- c. THAT the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to execute any contracts or agreements along with any required amendment(s) as may be required for the projects brought forward for consideration under the DCRF, TDCP, and/or BCSF, provided that the amendment(s) are within the approved budget and funding amounts, satisfactory in financial content to the City Treasurer, in form to the City Solicitor, and in technical content to the City Engineer; and,
- d. THAT Administration **BE AUTHORIZED** to issue any change order(s) for any project agreement(s), contract(s) and/or amendment(s) for the projects brought forward for consideration under the DCRF, TDCP, and/or BCSF as may be required, provided the amendment(s) are within approved budget and funding amounts, satisfactory in financial content to the City Treasurer, and in technical content to the City Engineer; and further,
- e. THAT should it be required as a condition of the grant, that City Council **AUTHORIZE** the establishment of reserve fund(s), as appropriate, and,
- f. THAT the City Solicitor **BE DIRECTED** to prepare any required By-Laws authorizing the execution of the Transfer Payment Agreements required by His Majesty the King in Right of Ontario as represented by the Province of Ontario, or other actions required to implement this decision of Council; and,
- IX. THAT Administration **REPORT BACK** on the outcome of the applications to the DCRF, TDCF, and/or BCSF, as appropriate.

Executive Summary:

N/A

Background:

The Government of Canada and the Province of Ontario recently launched several infrastructure funding opportunities that support eligible municipal projects aligned with housing, trade, transportation, climate adaptation, and broader community infrastructure priorities. In particular, Administration has been reviewing funding criteria and eligibility for the following funding opportunities.

Development Charge Reduction Program (DCRP)

On March 30, 2026, Canada and Ontario announced the historic partnership, known as the Canada-Ontario Partnership to Build, in support of shared goals, including building more homes faster to make housing more affordable, getting shovels in the ground on key transit projects and supporting economic development. The DCRP, introduced under this partnership on June 1, 2026, provides \$8.8 billion in funding intended to help municipalities reduce barriers to housing development by reducing residential development charges while prioritizing investments in housing-enabling infrastructure.

Eligible municipal applicants must commit to reduce DC rates for all residential development types in all areas of the municipality from their level as of March 30, 2026 in the range of 30% to 50% **or more** and maintain that reduction for three (3) years in order to be considered for funding. Eligible projects must primarily support new housing, align with municipal capital planning, and be delivered within prescribed program timelines. Applicants must also provide a reasonable estimate of the number of housing units that would be enabled as a result of the eligible project(s) being submitted for consideration.

The DCRP may fund up to 90% of **eligible** project costs, with the balance to be funded by the municipality. Projects put forward for consideration must be included in the most recently approved DC background study and supported by the current DC by-law. The program is a competitive program and maximum funding for municipal projects depends on program uptake and the merits of each application.

The application deadline to the DCRF is quick being June 19, 2026, with transfer payment agreements expected to be executed prior to August 15, 2026. Actual DC reduction changes must be in-effect immediately following the execution of the transfer payment agreement. Eligible projects must start no later than July 31, 2030, and construction must be completed by October 31, 2035. More than one application may be submitted to this funding program with a maximum of five (5) projects prioritized per application.

Trade Diversification Corridors Fund (TDCF)

The TDCF is a federal funding program administered by Transport Canada. The program provides \$5 billion from 2026-27 to 2031-32 for transportation infrastructure projects that help diversify Canada's trade partners. The program is also intended to develop Canada's core trade corridors and address transportation connectivity and

capacity gaps in areas where growth is constrained. The fund supports new trade infrastructure that connects Canada, including ports, railways, airports, highways, and other trade and logistics-enabling infrastructure.

The TDCF includes three funding streams. Stream 1 is invitation-based and only applicants specifically invited by Transport Canada are eligible to apply. Streams 2 and 3 do not require an expression of interest (EOI) and no formal invitation from Transport Canada is required. The City has not been identified as an invited applicant under Stream 1.

Stream 2, Unlocking New Opportunities and Connectivity through Collaborative Trade Corridor Solutions, calls for solutions to resolve specific issues that are limiting Canada's ability to grow and diversify trade through key trade corridors. Stream 2 proposals are expected to address one or more of the following areas: enhancing intermodal capacity to increase trade with non-United States markets; optimizing existing transportation assets to support trade diversification to non-US markets in the core trade corridors; and increasing transportation capacity for bulk commodity exports. The maximum funding contribution under this stream is up to 50% of the total eligible expenditures for a project, with the maximum federal contribution requested per project not to exceed \$500 million. The application deadline for Stream 2 is July 31, 2026. Transport Canada's program timelines indicate that Stream 2 project proposals are expected to be assessed from August to September 2026, with decisions expected in December 2026.

Stream 3, Supporting Regional Growth, targets projects that strengthen trade-enabling transportation infrastructure gaps that are limiting regional growth and support export diversification. This stream prioritizes projects seeking federal funding contributions of less than \$25 million. The application deadline for Stream 3 is September 25, 2026 and more than one application can be submitted. Transport Canada's program timelines indicate that Stream 3 project proposals are expected to be assessed from October to December 2026, with decisions expected in March to April 2027.

Build Communities Strong Fund – Direct Delivery Stream (BCSF)

The Build Communities Strong Fund - Direct Delivery Stream is administered by Housing, Infrastructure and Communities Canada (HICC) and provides a total of \$6 billion over 10 years, starting in 2026-27, to support regionally significant projects, climate adaptation, and community infrastructure. Projects under this stream are intended to strengthen community resilience, support sustainable economic development, enhance environmental outcomes, and contribute to the cultural and social vitality of regions and communities.

Municipalities are eligible to submit EOIs for projects that can begin within the next 12 months and meet minimum cost-estimating requirements. Projects that have already started construction are not eligible. Shortlisted applicants may then be invited to provide further information as part of the federal review process.

Discussion:

The overlapping key themes uniting the DCRP, TDCF, and BCSF focus heavily on accelerating economic capacity, public infrastructure modernization, and rapid project deployment. While each program targets a different end sector - housing affordability for DCRP, global trade network bottlenecks for TDCF, and regional resilience/climate readiness for BCSF - they share several core priorities:

1) Focus on Shovel-Ready and Rapid Project Delivery

All three programs prioritize project readiness and aggressive construction timelines:

- DCRP relies on speed, requiring municipalities to reduce development fees quickly to align with temporary HST tax relief and fast-track housing-enabling assets. Infrastructure should be built rapidly enough to support the province's overarching housing targets, with projects required to be complete and ready for their intended purpose by October 31, 2035.
- TDCF heavily weighs evaluations toward shelved or active projects that are ready to commence construction. Projects funded through the TDCF must be useable for their intended purpose no later than December 31, 2031.
- The BCSF - Direct Delivery stream explicitly requires projects to be shovel-ready, possessing a minimum of Class C cost estimates and a start timeline within 12 months. Projects that have already started construction are not eligible. HICC will only contact applicants whose EOI submissions are shortlisted for next steps, and further project-specific requirements, including any applicable completion timelines, are expected to be addressed through the next stage of the review process.

2) Overlapping Eligible Asset Types

All three programs fund similar infrastructure categories with roads, bridges, water and wastewater assets explicitly named as primary eligible assets. These three programs intentionally fund similar assets as these types of infrastructure provide the foundation for economic and community growth, enabling new housing expansion, and servicing intermodal trade.

3) Mitigating Financial Bottlenecks

Each of the programs addresses the reality that high upfront capital costs play a role in delaying vital regional construction. By providing significant financial contributions in support of shovel-ready infrastructure, projects that are in a position to move ahead can be accelerated without displacing other capital priorities. These programs provide the City with an opportunity to pursue external funding for shovel-ready projects that advance strategic federal, provincial and municipal objectives while helping to offset municipal capital costs.

Further to the above criteria and requirements, the DCRP recognizes that rising municipal DCs add to the cost of building homes and can be considered a barrier to

unlocking housing supply. The program is designed to address this barrier by requiring eligible projects to primarily enable the construction of new housing units through the acceleration of shovel-ready infrastructure projects identified in the municipality's DC background study and capital plan.

To be eligible for funding under the DCRP, applicants must meet the following eligibility requirements:

- Be an Ontario single, upper and lower tier municipality;
- Levy residential DCs and have an active DC By-law in place as of March 30, 2026;
- Provide an agreement-in-principle at the time of application:
 - To reduce DC rates in effect on March 30, 2026, inclusive of area specific rates, by 30% to 50% **or greater**;
 - Apply the DC rate reduction to **all** residential development types; and
 - The committed fee reduction must be maintained for a 3-year period.

Projects submitted for funding consideration under the DCRP **must** have been included in the most recently approved DC Background Study and considered in the municipality's capital plan.

Administration had previously begun the work of assessing various eligible capital projects for consideration under the TDCF and the BCSF in advance of the noted application deadlines for each of those funds; however, with the recent announcement of the DCRF, a more comprehensive review of a broader list of eligible capital projects has now been completed in order to balance and maximize all three external funding opportunities given the overlap in eligible project types. The full list of projects which are now being recommended in support of each of the grant applications have been identified within the Financial Matters section.

Given the tight application timelines outlined in the DCRF and the need to strategically align projects with the noted funding opportunities, Administration is seeking approval to move forward in a manner that provides flexibility in maximizing funding opportunities while leveraging projects already approved by Council, along with including additional projects that align with Council priorities but may not have been fully funded in the capital plan. Accessing available grant funding will allow for expedited project work to be undertaken and advance more quickly in support of growth and economic development.

Further, as recommended in this report, Administration will report back on the outcome of the applications to the DCRF, TDCF, and/or BCSF, as appropriate, to inform Council of projects approved for funding and the related financial impacts. Should any approval differ materially from our submission and create a situation whereby receipt of program terms, conditions or funds are no longer financially beneficial to the City, Administration will seek additional direction from Council, prior to accepting the funds.

Risk Analysis:

There is a potential risk that the projects submitted may not be awarded funding through the grant programs, resulting in the need for a reprioritization of capital projects and City funding should the projects proceed. The level of risk associated with not receiving funding is difficult to quantify, as all three programs are competitive in nature and there is limited visibility into the types, volume, and value of applications that may be submitted by other eligible proponents. Administration has strategically selected projects for each stream of funding based upon program guidelines, needs and fit.

There is a risk that projects identified for application under the various funding programs may exceed revised budget estimates. This risk is particularly relevant for projects that are in the earlier stages of development, where cost estimates are still being refined. This risk is mitigated through the use of professional judgment, current market conditions, and appropriate contingencies in developing project estimates; however, should unforeseen circumstances arise and actual costs exceed projections, additional City funding may be required.

There is the potential risk that projects are not able to be completed by the stated program deadlines. This risk is mitigated by identifying project(s) that are sufficiently advanced and can reasonably be delivered within the program timelines.

There is a risk that notwithstanding the DC reduction that residential development will not happen and therefore funding previously approved could be reduced and or clawed back. The DCRP guidelines indicate that as part of annual reporting, municipalities must provide actual DC relief, new housing supported as evidenced by approvals for development and issuance of building permits. This risk is being mitigated through a review of current planning and building data where approvals have been granted but developers have not yet started construction.

There is a risk that the City may need to decline funding where an award is not financially viable or does not provide sufficient net benefit. This risk is particularly relevant to the DCRF where funding is provided on an 'up to 90%' basis and funding is conditional upon demonstrating that the DC reduction has helped in meeting projected housing targets. As a result, there is uncertainty regarding which projects will ultimately be approved creating variability in the overall financial outcome and complicating funding and cost-sharing assumptions. This risk has been mitigated through a refinement of estimates related to growth and development based upon best available data inclusive of planning applications which are awaiting the outcome of this program.

Climate Change Risks

Climate Change Mitigation:

Investing infrastructure funds into regional networks supports critical climate mitigation frameworks by driving down localized carbon footprints. Directing funding toward optimized civil transportation corridors actively reduces vehicular gridlock, a primary source of greenhouse gas emissions. Targeted infrastructure development serves as a practical, long-term mechanism to lower regional emissions and help meet broader net-zero targets.

Climate Change Adaptation:

Through the utilization of these grants toward the modernization of core infrastructure assets, the City will be positioned to design and engineer upgrades to higher, future-proof standards. Enhancing storm and wastewater systems will significantly increase localized watershed capacity, directly mitigating the risks associated with severe, climate-induced wet weather events and flooding. These capital investments will help ensure that municipal infrastructure remains resilient during extreme weather anomalies.

Financial Matters:

As highlighted in this report, no single program provides full funding of project proposals. Instead, they require strong cost-matching, co-investment, or public-private partnerships.

DCRP

The DCRP structures funding through a maximum 90% federal-provincial cost-match, requiring a minimum 10% financial contribution from the host municipality. To access funding, municipalities must lower DC rates for three years, which creates a short-term loss in DC reserve revenue, while receiving project-based funding that can cover up to 90% of eligible infrastructure costs. The funding however, may not fully replace lost DC revenue and excludes certain costs as ineligible, meaning municipalities face potential funding gaps, potential deferral of capital projects, increased reliance on tax levy and utility rates, possible short-term borrowing needs, and greater cash flow pressure. Further to this, any funding that is received will be released to municipalities based upon eight (8) project milestones supported through annual reporting. Therefore, in addition to foregone DC revenue, municipalities are required to finance all projects upfront.

The DCRF further mandates that for projects to be eligible under the DCRP, these projects are required to be incorporated in the City's Asset Management Plan by its next update, to ensure that adequate funding is identified and maintained in support of the required lifecycle management activities needed to operate, rehabilitate and renew these assets and financial management plan. It is important to note that this requirement would exist regardless of funding but highlights the importance of an Asset Management Plan in provincial funding applications.

For purposes of the DCRP program application the City is required to use the 2021 DC Background Study. Administration has identified the following five projects:

- 9th Concession Road Improvements from Cabana Road East to Baseline Road, including construction of Collector Roads C6, C7 and Pond P4 (part of the Hospital Support project identified in the 2026 Capital Budget)
- Howard Avenue – Kenilworth Drive to Cabana Road East – includes improvement of the two-lane rural cross section to an expanded urban cross section with new sidewalk and multi-use pathway, as well as storm sewer, sanitary sewer, watermain, and streetlighting improvements

- 6th Concession Road – Phase 1 includes roadwork and streetlighting from south of Provincial Road to Socrates Crescent as well as storm sewer, watermain and new trail infrastructure from south of Provincial Road to north of Dougall Parkway and Phase 2 roadworks, streetlighting and sanitary sewer from Socrates Crescent to north of Dougall Parkway.
- Ojibway Storm Trunk Sewer – St. Clair Avenue to Roxborough Boulevard, including California Avenue and Betts Avenue – includes new storm trunk sewer, road reconstruction, sidewalks and streetlighting.
- Cabana/Lauzon, Phase 4: Cabana Road East - Lauzon Parkway East to City Limits – includes improving of the two-lane rural cross section on Cabana Road East to a five-lane urban cross section and improvements to sidewalk, drainage, storm sewer, sanitary sewer, watermain, streetlighting and traffic signal infrastructure.

As indicated in the discussion section, eligible projects must have been included in the current approved DC Study (2021) and informed through the capital plan. Only project costs which have been factored into the current DC rates are eligible for funding. Costs which were estimated outside of the DC rate setting period, while necessary for purposes of completing the project works, are not eligible for funding. However, these costs have been factored into the gross project costs and included as part of the municipal contribution. To mitigate the risk of cost escalation, Administration has updated all project costs using an inflationary factor from the date of the current DC study to current construction costs. Based upon updated projects costs, and a breakdown of eligible versus ineligible costs, the municipal contribution is estimated to be 59%, far in excess of the required 10%.

The anticipated financial impact is outlined in the following table. Additional information continues to be received from MMAH with regards to this program. As such, the actual costs which will be used for purposes of the City’s submission may be further refined as a result of receiving additional information.

Project Name	Total Project Costs (\$)	Total Funding Requested (\$)	Municipal Contribution (\$)
Hospital Supports	44,200,000	31,504,500	12,695,500
Howard Avenue	31,390,000	5,415,588	25,974,412
6th Concession Road	15,630,000	4,353,750	11,276,250
Ojibway Storm Sewer	15,480,000	149,622	15,330,378
Cabana/Lauzon, Phase 4 – Cabana Road East: Lauzon Parkway East to City Limit	16,100,000	8,471,250	7,628,750

	122,800,000	49,894,710	72,905,290
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Tota Project Costs	\$122,800,000
Total Funding Requested	\$49,894,710
Total Municipal Contribution	\$72,905,290
Municipal Contribution %	59%
Estimated DC Revenue Reduction over 3 years	\$62,729,892
DC Proposed Reduction %*	70%

*DC proposed reduction excludes the already approved 100% exemption for Area 1 which as outlined below is recommended to continue for the 3-year program reduction period. Total foregone revenue will be a combination of both the 70% reduction and 100% exemption.

Calculation of DC reductions

Using the most recent growth study (as of the 2024 draft DC Study) and in consultation with Planning and Economic Development regarding housing applications which have been submitted for consideration, Administration estimates that 2,933 housing units over the next three (3) years may be unlocked and proceed with development.

Currently many developments are on hold due to financial constraints. Further delays have occurred as a result of anticipated announcements at the Federal and Provincial levels of government and the pending decisions related to municipal applications which may lead to reduced DC's. It is important to note that certain residential development is already, through provincial regulation, DC exempt. Further to this, the City currently offers an exemption for residential DC's as part of the current DC by-law. This 100% exemption applies to residential development in what has been defined as Area 1 (downtown core which is within the boundary of Prince Road, Tecumseh Road, Pillette Road and the Detroit River). It is also important to note that annual indexing, which is tied to annual increases in CPI must also be frozen during the 3-year reduction period.

Using the estimated housing starts, the potential gross DC revenue is \$62.7 million. In order to maximize funding through the DCRP, City Council will need to approve in

principle a reduction of 70% for all other residential development currently subject to DC's, inclusive of both City Wide and Sandwich South Areas and excludes Area 1 which is DC exempt. At this time, Administration is not recommending any changes to the current exemption area. The DCRP allows municipal flexibility in how the DC reduction is applied across residential development. The underlying intent is that the amount of foregone revenue is aligned with funding approved under the DCRP. On a blended basis, Administration estimates that the foregone revenue will align with the funding request of \$49,894,710.

Within the current capital plan there is approximately \$89.7 million approved funding for the noted projects. This funding is comprised of DC's and other municipal contributions inclusive of reserves. Should the application be approved in full, Administration will need to review the funding associated with these projects and realign said funding in accordance with funding potentially provided through the application process. While the program guidelines indicate residential DC's cannot be used to support the 10% municipal contribution relating to eligible costs, the Ministry remains silent as to how the residential DC's retained and future residential DC's, post the mandatory 3-year reduction period, can be used to support project costs.

TDCF

The TDCF will provide up to 50% of eligible project costs, requiring significant municipal cost-sharing. Proposals must demonstrate that projects are well-developed, shovel-ready, and supported by robust business cases, funding plans, and risk assessments. Funding may be delivered as repayable or non-repayable contributions (or a blend) and must be justified through clear economic, trade, and capacity benefits.

While the program is delivered in partnership with the Canada Infrastructure Bank (CIB), there is no requirement for municipalities to use the CIB; rather, it is an optional financing partner used in some cases to structure large or revenue-generating projects and attract private capital. Overall, the TDCF represents a cost-shared, merit-based funding model that requires strong municipal financial participation but allows flexible financing structures without obligating municipalities to engage the CIB.

Given the direct link between infrastructure investment and economic development, these funding opportunities support projects that unlock housing supply, strengthen trade corridors, and expand servicing capacity for growth areas. Collectively, these investments position the City to attract new business activity, support job creation, and accelerate development timelines across key sectors.

Recent investment trends in Windsor-Essex further reinforce the direct economic development impact of these infrastructure investments. Since 2022, the region has secured 55 new investment and expansion projects—beyond the NextStar Energy build—across key sectors such as advanced manufacturing, hospitality, pharmaceuticals, and wholesale, representing over \$1.2 billion in capital investment and more than 4,200 new jobs. In addition, the City's active economic development pipeline

includes 25 high and medium priority leads, representing a further \$1.6 billion in potential investment and over 1,500 prospective jobs. Investments supported through these funding programs will be critical in ensuring that the City has the infrastructure capacity required to realize this growth and remain competitive in attracting future opportunities.

As part of its application to the TDCF, Administration is proposing that the Lauzon Parkway Extension, south of Cabana Road East, as well improvements to Lauzon Parkway north of Cabana Road East to CPCK railway (Cabana/Lauzon, Phase 5), be submitted under Stream 2. These projects align closely with the program goals of enhancing intermodal capacity to increase trade with non-United States markets; optimizing existing transportation assets to support trade diversification to non-US markets in the core trade corridors; and increasing transportation capacity for bulk commodity exports.

These projects were previously identified as critical to the development of Sandwich South however the full cost of construction for the Lauzon Parkway Extension had not been brought forward for funding consideration under the Sandwich South Development Capital Works Financing Strategy (March 2026). With the ability to apply for funding of close to 50% for this significant project, Administration is recommending the acceleration of this work in order to leverage upper-level of government investment.

Further, Administration has assessed a number of projects that align with the funding objectives of Stream 3 of the TDCF. These include:

- Cabana/Lauzon, Phase 2: Cabana Road East - 9th Concession Road to Lauzon Parkway and Pond P7
- Cabana/Lauzon, Phase 3: Cabana Road East - Walker Road to 9th Concession Road
- Walker Road, Phase 1: Foster Avenue to Calderwood Avenue and Phase 2: Calderwood Avenue to Airport Road
- Cabana Road East (West of Walker Road), Phase 5: Cabana Road East - Provincial Road to Walker Road

Should application to both Stream 2 and Stream 3 be successful as presented, it is expected that all projects could be completed within existing funding allocations and approvals; however, should only some of the proposed submissions be accepted it is likely that a reprioritization and/or deferral of capital projects in the current 10-year capital plan will need to take place. Without knowing the outcome of the potential funding approvals, it is difficult to determine what those impacts might be or which projects might be affected.

Further, given that Stream 2 approvals will be received earlier than those for Stream 3, Council should be aware of a potential funding gap of up to \$28.4M should none of the Stream 3 applications be successful. Alternatively, funding received through Stream 3 can be reinvested into the 10-year capital plan to either offset debt requirements related to the Sandwich South works or reinvested into other capital works.

The anticipated financial impacts related to each stream and the various applications within are outlined in the following table:

Project Name	Available Budget (existing funds through 2035) (\$)	Project Estimates (\$)	Additional Funding Available/ (Required) (\$)	Anticipated Grant Funding (TDCF) (\$)	Net Funding Available/ (Required) (\$)
Lauzon Parkway Extension, South of Cabana Road East	15,000,000	115,000,000	(100,000,000)	45,750,000	(54,250,000)
Cabana/Lauzon, Phase 5: Lauzon Parkway - Cabana Road East to CPKC	59,000,000	59,000,000	0	25,850,000	25,850,000
TDCF Stream 2 -	74,000,000	174,000,000	(100,000,000)	71,600,000	(28,400,000)
Cabana/Lauzon, Phase 2: Cabana Road East - 9th Concession Road to Lauzon Parkway + Pond P7	11,400,000	11,400,000	0	4,830,000	4,830,000
Cabana/Lauzon, Phase 3: Cabana Road East - Walker Road to 9th Concession Road	45,766,403	45,800,000	(33,597)	19,985,000	19,951,403
Walker Road - Ph 1: Foster to Calderwood & Ph 2: Calderwood to Airport Road	18,484,899	31,800,000	(13,315,101)	14,310,000	994,899
Cabana Road East (West of Walker Road) - Ph 5: Provincial to Walker	26,604,221	22,000,000	4,604,221	8,400,000	13,004,221
TDCF Stream 3 -	102,255,523	111,000,000	(8,744,477)	47,525,000	38,780,523
Net Total -	176,255,523	285,000,000	(108,744,477)	119,125,000	10,380,523

It should be noted that the above figures are high-level and make several assumptions with respect to eligible vs ineligible expenditures, timing of funding, and level of funding provided through the grant.

BCSF

The BCSF provides funding for large infrastructure projects but requires a strong supporting funding plan. While there is no prescribed funding limit, it is unlikely that all project costs will be eligible, meaning the City may need to fund certain components.

While use of the CIB and private sector financing is not mandatory, proponents are expected to consider and potentially seek these options to strengthen their applications. For core municipal infrastructure assets however, the City can proceed with a traditional public delivery model, provided it demonstrates that alternative financing was appropriately assessed.

Overall, the program emphasizes financial readiness, cost-sharing, and due diligence, without requiring privatization or loss of municipal control. These requirements will be further assessed through the project selection and application process and will inform the final determination of which applications proceed. Throughout this process, Administration will prioritize projects that are fully or partially funded within the 10-year capital plan. If applications are successful, this approach may free up funding for reallocation to other capital priorities, including potential support for additional applications under the three funding programs. Where project estimates are updated to reflect current costs, any resulting surplus funding may also be used to balance overall funding requirements and maximize the number of projects that can be delivered.

In addition, the recently endorsed debt approvals related to the Sandwich South Development Capital Works Financing Strategy could require review and potential re-bundling to align with any project reprioritization arising from these newly announced funding opportunities. Any such adjustments would be undertaken within the scope of existing Council-approved authorities for the overall suite of Sandwich South projects and would not result in an increase to previously approved debt limits. Notwithstanding this, the timing of program requirements, eligible expenditures, and project cash flows may create a need for the temporary use of internal financing and/or short-term borrowing to bridge funding until external contributions are received, particularly in relation to the development charge reductions required under the DCRP.

As previously noted, in those instances, where full funding requests are not awarded and financial viability becomes an issue, additional direction will be sought from Council.

Consultations:

Stacey McGuire – Executive Director Operations/Deputy City Engineer (A)

Patrick Winters – Manager, Development, Engineering

Robert Perissinotti, Development Engineer

Juan Paramo, Development Engineer

Patrick Robitaille – Manager, Design, Engineering

Patrick Muzyka – Engineer III, Engineering

Aojeen Issac – Engineer III

Joe Bressan – Engineer II, Engineering

Neil Robertson – City Planner

Matthew Johnson – Executive Director, Economic Development & Climate Change

Greg Atkinson – Deputy City Planner – Development

James Abbs – Manager, Planning

Michael Dennis – Manager, Capital Planning and Reserves

Lorie Gregg – Executive Director, Financial Planning/Deputy Treasurer

Tony Ardovini – Executive Director, Financial Planning/Deputy Treasurer

Simranpreet Singh – Asset Coordinator (A)

John Aquino – Manager, Corporate Asset Planning (A)

Joshua Meloche – Senior Legal Counsel

Aaron Farough – Senior Legal Counsel

Emilie Dunnigan – Manager Development Revenue and Financial Administration

Jason Campigotto – Deputy City Planner - Growth

Natasha Gabbana - Executive Director, Capital Planning and Corporate Energy/Deputy Treasurer

Colleen Middaugh - Executive Director, Engineering/City Engineer (A)

Conclusion:

The Development Charge Reduction Program, Trade Diversification Corridors Fund, and Build Communities Strong Fund – Direct Delivery Stream present a timely opportunity for the City to pursue external funding for eligible infrastructure projects that support housing, trade, and other key community priorities. Given the overlap in eligible project types and the accelerated timelines, the authority requested in this report will provide Administration with the flexibility needed to strategically align project submissions and maximize available funding opportunities. This approach will help advance Council-approved and priority capital projects while reducing pressure on municipal funding sources, where successful.

Approvals:

Name	Title
Wira Vendrasco	City Solicitor
Stacey McGuire	On behalf of Commissioner, Infrastructure Services and City Engineer
Jelena Payne	Commissioner, Economic Development /

	Deputy Chief Administrative Officer
Janice Guthrie	Commissioner, Finance / City Treasurer
Ray Mensour	Chief Administrative Officer

Notifications:

Name	Address	Email

Appendices:

BY-LAW NUMBER 97-2026

A BY-LAW TO CONFIRM PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE CITY OF WINDSOR AT ITS SPECIAL MEETING HELD ON THE 17TH DAY OF JUNE, 2026

Passed the 17th day of June, 2026.

WHEREAS it is deemed expedient that the proceedings of the Council of The Corporation of the City of Windsor at this meeting be confirmed and adopted by by-law;

THEREFORE the Council of the Corporation of the City of Windsor enacts as follows:

1. The action of the Council of The Corporation of the City of Windsor in respect to each recommendation contained in the Report/Reports of the Committees and the local Boards and Commissions and each motion and resolution passed and other action taken by the Council of The Corporation of The City of Windsor at this special meeting is hereby adopted and confirmed as if all such proceedings were expressly in this by-law.

2. The Mayor and the proper officials of The Corporation of the City of Windsor are hereby authorized and directed to do all things necessary to give effect to the action of the Council of The Corporation of the City of Windsor referred to in the preceding section hereof.

3. The Mayor and the City Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the seal of The Corporation of the City of Windsor.

This by-law shall come into force and take effect on the day of the final passing thereof.

DREW DILKENS, MAYOR

CITY CLERK

By signing this by-law on June 17, Mayor Drew Dilkens will not exercise the power to veto this by-law, and this by-law is deemed passed as of this date.

First Reading - June 17, 2026
Second Reading - June 17, 2026
Third Reading - June 17, 2026