



## **Development Charges:**

March 2006 A letter opposing area-specific development charges to help fund budget shortfalls for infrastructure work was forwarded to City Council. (Rock Tunnel & Azilda Force Main)

Board of Directors' meeting June 17, 2009

**WHEREAS** the province of Ontario permits municipalities to recover the costs associated with anticipated growth forecasts in population and infrastructure development, and;

**WHEREAS** the City of Greater Sudbury must set the appropriate fee structure for Development Fees for residential and non-residential projects every five years as mandated by the Development Charges Act 1997, and;

**WHEREAS** the City of Greater Sudbury is third lowest among the 23 largest cities in the province in residential development fees and do not charge fees to those with non-residential construction, and;

**WHEREAS** the Hemson Report which was commissioned by council and prepared in consultation with city sourced figures, recommends that Development Fees be increased;

**BE IT THEREFORE RESOLVED** that the Board of Directors recommends **THAT** in recognition of the Greater Sudbury Chamber of Commerce's desire for reinvestment in the community and lower taxes, it support a phased in approach to increased development charges as proposed in the Hemson Report (May 2009). This increase should be phased in over a five year period with no development fee increases in the first two years, and include residential, commercial, industrial and institutional properties, but exclude all affordable housing units; **AND FURTHERMORE THAT** these development charges cover all related development costs associated with growth and renewal infrastructure as they relate to the respective development.....**CARRIED.**



June 23, 2009

Mayor Rodriguez and City Council  
Tom Davies Square  
200 Brady St.  
Sudbury, Ontario  
P3A 5P3

Your Worship and Councillors,

The impending decision regarding development charges has clearly highlighted the passion that exists in the community when it comes to defining what, if any, constitutes "reasonable" development charges.

Our Chamber counts many builders (commercial and residential), material supply companies and trades people as important assets to our membership base. Consequently, this issue has proven particularly difficult for us to address. These particular members are facing challenges and we cannot simply ignore their valuable contributions to our organization and that of the broader community.

Nevertheless, regardless of how awkward it may be for us to take a position, we appreciate and accept that this important issue demands our scrutiny. We have examined the Hemson Consulting Report and looked at other communities who are demonstrating similar circumstances and characteristics in population and growth forecasts.

Consequently, the Board of Directors of the Greater Sudbury Chamber of Commerce approved the following motion at its June 17<sup>th</sup>, 2009, meeting:

*WHEREAS the province of Ontario permits municipalities to recover the costs associated with anticipated growth forecasts in population and infrastructure development, and;*

*WHEREAS the City of Greater Sudbury must set the appropriate fee structure for Development Fees for residential and non-residential projects every five years as mandated by the Development Charges Act 1997, and;*

*WHEREAS the City of Greater Sudbury is third lowest among the 23 largest cities in the province in residential development fees and who does not charge fees to those with non-residential construction, and;*

*WHEREAS the Hemson Report which was commissioned by council and prepared in consultation with city sourced figures, recommends that Development Fees be increased;*



***BE IT THEREFORE RESOLVED that the Board of Directors recommends THAT in recognition of the Greater Sudbury Chamber of Commerce's desire for reinvestment in the community and lower taxes, it support a phased in approach to increased development charges as proposed in the Hemson Report (May 2009). This increase should be phased in over a five year period with no development fee increases in the first two years, and include residential, commercial, industrial and institutional properties, but exclude all affordable housing units;***

***AND FURTHERMORE THAT these development charges cover all related development costs associated with growth and renewal infrastructure as they relate to the respective development.....CARRIED.***

On this last point, it has been our understanding that the City of Greater Sudbury has charged the fixed rate of \$3,079 for a residential unit, however, developers have told us that that they have been "nickel and dimed" on projects and report that they often pay out of pocket for additional infrastructure costs not required or included in their specific development. These include street lights, traffic calming measures, road widening, etc.

The Chamber is adamant that all upfront development charges be assessed on a square footage basis. We trust Council will take the chamber's position into consideration during your deliberations.

Yours truly,

Debbi M Nicholson  
PRESIDENT & CEO

cc: Doug Nadorozny  
Bill Lautenbach

October 25, 2006

Good afternoon Mayor Courtemanche and Councillors. My name is Vicki Smith and I am the Past Chair of the Greater Sudbury Chamber of Commerce. Thank you for the opportunity to speak to you today during this public hearing on cost recovery fees for the south end rock tunnel. The Chamber would also like to thank you for taking the time to fully understand this complex issue and its ramifications before making a final decision.

As the voice of business in Sudbury, the Greater Sudbury Chamber of Commerce advocates for business and community prosperity.

In February of this year, the chamber was asked to provide comments on the proposed area specific new cost recovery fees for the south end rock tunnel. At that time, in a letter to council and the members of the development liaison committee, the Chamber reviewed the intent of these new charges and highlighted four points.

First, setting additional area specific charges to offset budget shortfalls for a project is setting a precedent that may hamper future growth or become the normal process to fund infrastructure projects when there is not adequate funding available. In Levack, Naughton, Capreol or Falconbridge, for instance, will area-specific cost recovery fees be imposed to recover infrastructure costs or shortfalls on project budgets? Infrastructure costs have traditionally been paid for through the general levy as all citizens benefit from good infrastructure in our community. The rock tunnel sewer project will benefit not only new development in the south end but all of the existing built assets in the south end

With that in mind, the chamber strongly urges council to defer its decision until the end of the city's fiscal year in order to allow the federal government time to follow through on funding for the rock tunnel project.

Implementing cost recovery fees prior to a federal funding announcement would be premature and could jeopardize any funding intended for this project. As recently as October 11<sup>th</sup>, the federal government indicated that a funding announcement may be forthcoming before the end of 2006. Speaking to more than 220 business people at the Chamber's 111<sup>th</sup> annual general meeting, the federal Minister of Health and Minister responsible for FedNor, Tony Clement, indicated that within weeks of the upcoming municipal election, Sudbury could expect to hear from his government concerning the rock tunnel.

Deferring this decision until the end of the year in order to allow the federal government to come through with funding for the project's shortfall while proactively looking for cost savings within the project would allow the city to proceed in a cautious yet optimistic manner.

Thank you for your time.



GREATER SUDBURY CHAMBER OF COMMERCE  
LA CHAMBRE DE COMMERCE DU GRAND SUDBURY

"VOICE OF BUSINESS"

February 17, 2006

Mayor David Courtemanche  
Members of City Council  
Members of the Development Liaison Committee  
City of Greater Sudbury  
Box 5000, Station A  
Sudbury, ON P3A 5P3

Dear Mayor Courtemanche;

Recently, we were apprised by the Sudbury & District Homebuilders' Association of proposed area specific new housing development charges for the South End Rock tunnel and forcemain to the Lionel E. Lalonde Centre. As Advocates for 800 businesses in our City, we were asked to provide comments on this proposal.

The Greater Sudbury Chamber of Commerce has reviewed the intent of these new charges and would like to provide these comments:

- 1) Setting additional area specific charges to offset budget shortfalls of a project is setting a precedent that may hamper future growth or become the normal process to fund infrastructure projects when they do not have the adequate funding available.
- 2) In the past, Council wisely removed development charges on Industrial, Commercial and Institutional (ICI) Sectors to attract and encourage growth in the sectors that provide the majority of employment in our community and pay a significant portion of property taxes. Adding new development charges to the ICI sectors will impose costs that could exclude the selection of our city for new ICI growth.
- 3) We believe that a close scrutiny of projects of this magnitude could result in savings possibly covering the shortfall. We would encourage the City to solicit an independent review of costs to see if the savings can be found within the projects.
- 4) We would encourage the City to review all funding opportunities from various sources including the Federal Government to cover the shortfall. These projects and growth resulting from these projects would benefit the City as a whole and must be viewed in that light.

Thank you for the opportunity to provide you with the chamber's comments and we look forward to the Public Consultation process.

Yours truly,

  
Vicki Smith  
CHAIR

cc: Greater Sudbury Development Corporation Board of Directors

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