

# Development Charges Presentation

Kristi Arnold

Dalron Homes

# DEVELOPMENT CHARGES PRESENTATION

1. THE CURRENT STATE OF THE SUDBURY HOUSING MARKET
2. HOW WE COMPARE TO OTHER MUNICIPALITIES IN ONTARIO.
3. DEVELOPMENT CHARGES AS THEY EXIST TODAY

URBAN HOUSING STARTS									
MAY									
	Single Family			Semis, Rows, Condos and Apartments			Total		
	2008	2009	% chg	2008	2009	% chg	2008	2009	% chg
Sudbury	72	18	-75.0	4	104	2,500.0	76	122	60.5
YEAR-TO-DATE: JANUARY TO MAY									
	Single Family			Semis, Rows, Condos and Apartments			Total		
	2008	2009	% chg	2008	2009	% chg	2008	2009	% chg
Sudbury	134	29	-78.4	14	104	642.9	148	133	-10.1

Source: CMHC

As Canada's national housing agency, CMHC draws on more than 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes — homes that will continue to create vibrant and healthy communities and cities across the country.

Aussi disponible en français

For additional information please contact/Pour obtenir de plus amples renseignements, veuillez communiquer avec :

Thunder Bay: Warren Philp, (807) 343-2016 or [wphilp@cmhc.ca](mailto:wphilp@cmhc.ca)

En français : Sandra Perez-Torres, (613) 748-5120 or [sperezto@schl.ca](mailto:sperezto@schl.ca)

Ontario: Ted Tsiakopoulos, (416) 218-3407 or [ttsiakop@cmhc.ca](mailto:ttsiakop@cmhc.ca)

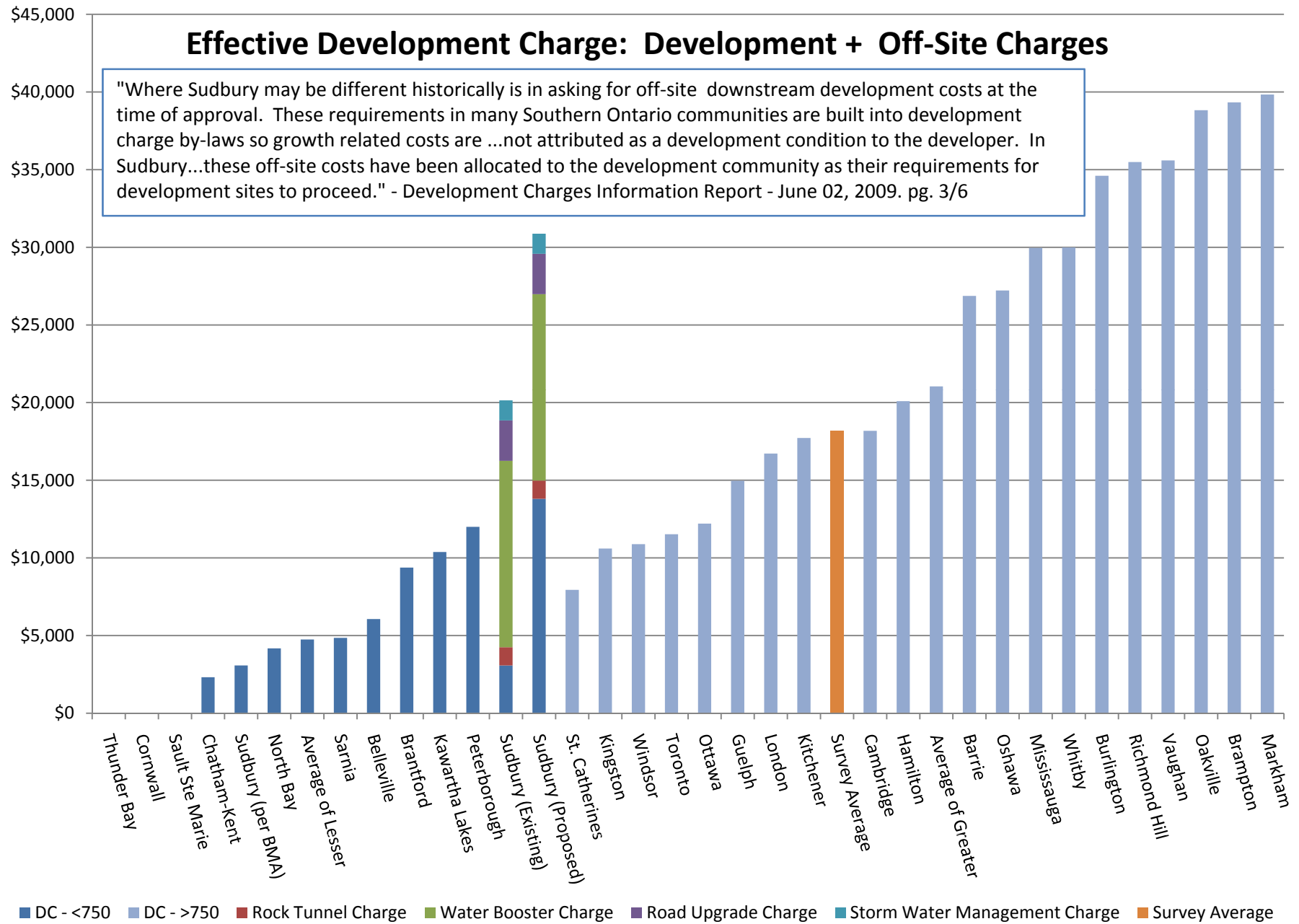
Canada: Kristen Scheel, (613) 748-2799, cell number (613) 316-2949, [kscheel@cmhc.ca](mailto:kscheel@cmhc.ca)

Our next Housing Starts press release will be June 2009, coming on July 9, 2009. CMHC's national web-site is located at [www.cmhc.ca](http://www.cmhc.ca).

# HOW WE COMPARE TO OTHER MUNICIPALITIES IN ONTARIO

## Effective Development Charge: Development + Off-Site Charges

"Where Sudbury may be different historically is in asking for off-site downstream development costs at the time of approval. These requirements in many Southern Ontario communities are built into development charge by-laws so growth related costs are ...not attributed as a development condition to the developer. In Sudbury...these off-site costs have been allocated to the development community as their requirements for development sites to proceed." - Development Charges Information Report - June 02, 2009. pg. 3/6

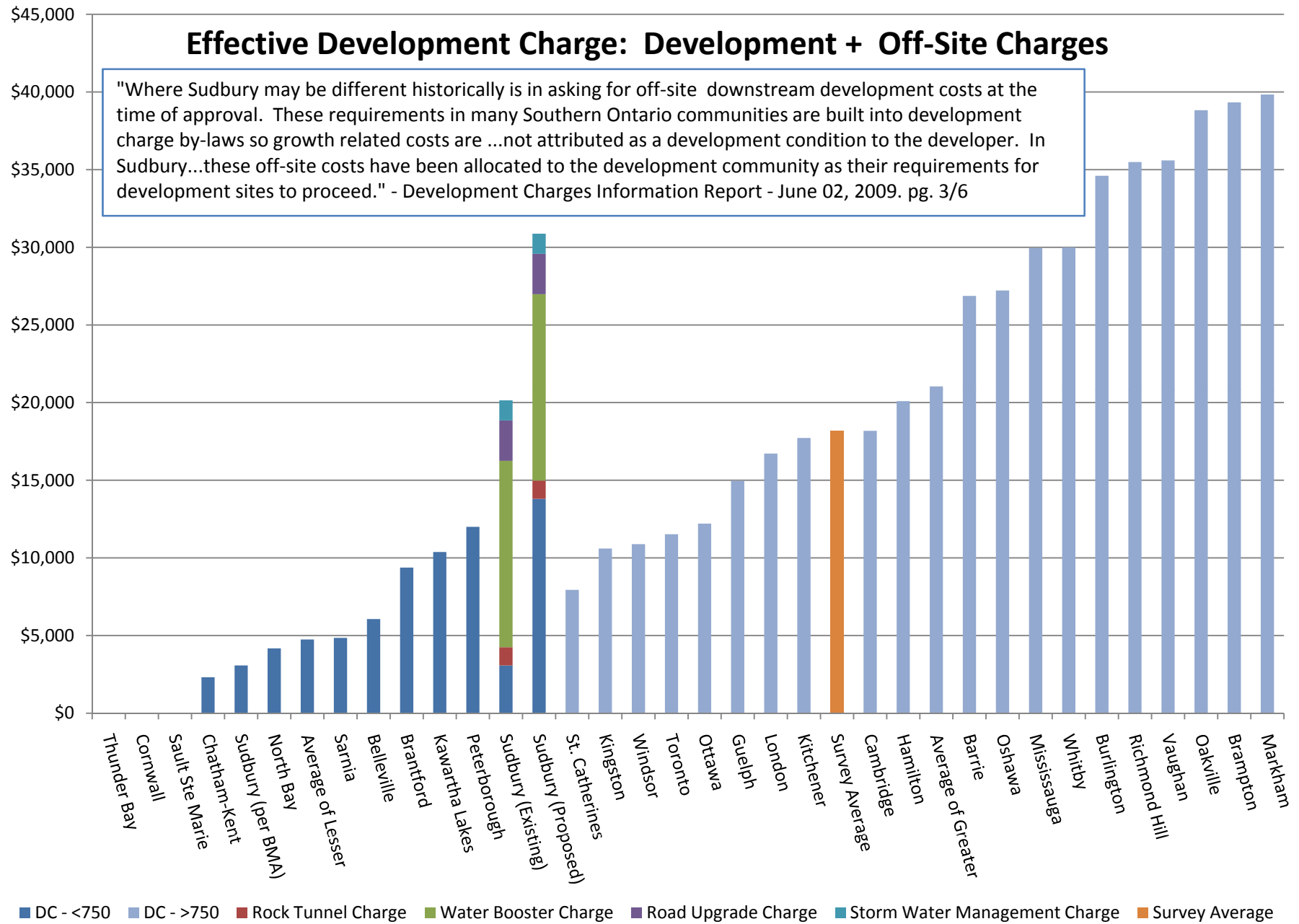


“Most municipalities would require the developer to pay for all on site costs of subdivision or site plan.... The planning act also allows for development related infrastructure costs **immediately** adjacent to the property boundary such as road lane widening or traffic signal installation to be required of the developer. This is very common across the province.

“Where Sudbury may be different historically is in asking for off-site downstream development costs at the time of approval. These requirements in many Southern Ontario development charge by-laws so growth related costs are recovered in this manner and off-site charges for subdivision and site plans are **not** attributed as a development condition to the developer.... **Examples of such requirements might include development or contributions to water booster stations, sewage lift stations, traffic signal upgrade, storm water retention ponds and intersection improvements.**”

## Effective Development Charge: Development + Off-Site Charges

"Where Sudbury may be different historically is in asking for off-site downstream development costs at the time of approval. These requirements in many Southern Ontario communities are built into development charge by-laws so growth related costs are ...not attributed as a development condition to the developer. In Sudbury...these off-site costs have been allocated to the development community as their requirements for development sites to proceed." - Development Charges Information Report - June 02, 2009. pg. 3/6





## Development Charges: Vintage Green Example (Southend)

	Current	Proposed New Charge
Development Charge:	\$3,079/lot	\$13,808/lot
Section 391: Rock Tunnel Fee	\$1,175/lot	\$ 1,175/lot
Water Booster Station	\$12,000/lot	\$12,000/lot
Upgrade existing Rockwood Drive	\$2,600/lot	\$ 2,600/lot
Contribution to Greenvalley Storm Water Pond	<u>TBA/lot</u>	<u>TBA/lot</u>
- cost yet to be determined		
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$18,854/lot +</b> <b>=====</b>	<b>\$29,584/lot +</b> <b>=====</b>

## Development Charges: Hidden Valley Example (Valley East):

	Current	Proposed New Charge
Development Charge:	\$3,079/lot	\$13,808/lot
Fifth Avenue upgrade:	\$ 337/lot	\$ 337/lot
Valley View Road Upgrade:	\$1,000/lot	\$ 1,000/lot
Fourth Avenue Upgrade:	\$3,000/lot	\$ 3,000/lot
Lights at Fourth Avenue:	\$ 260/lot	\$ 260/lot
Contribution to Horizon Drain:	\$1,290/lot	\$ 1,290/lot
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$8,966/lot</b>	<b>\$19,695/lot</b>
	=====	=====

**Development Charges: Vintage Green Example (Southend)**

	Existing	Proposed New Charge
Current Charge:	\$3,079/lot	\$13,808/lot
Section 391: Rock Tunnel Fee	\$1,175/lot	\$ 1,175/lot
Water Booster Station	\$12,000/lot	\$12,000/lot
Upgrade existing Rockwood Drive	\$2,600/lot	\$ 2,600/lot
Contribution to outfall storm and Greenvalley Storm Water Pond	Cost to be determined	TBA/lot
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$18,854/lot +</b>	<b>\$29,584/lot +</b>
	=====	=====

**Development Charges: Hidden Valley Example (Valley East)**

Current Charge:	\$3,079/lot	\$13,808/lot
Fifth Avenue upgrade:	\$ 337/lot	\$ 337/lot
Valley View Road Upgrade:	\$1,000/lot	\$ 1,000/lot
Fourth Avenue Upgrade:	\$3,000/lot	\$ 3,000/lot
Lights at Fourth Avenue:	\$ 260/lot	\$ 260/lot
Contribution to Horizon Drain:	\$1,290/lot	\$ 1,290/lot
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$8,966/lot</b>	<b>\$19,695/lot</b>
	=====	=====

**Development Charges: Foxborough (Garson)**

Current Charge:	\$3,079/lot	\$13,808/lot
Upsize on existing watermain on O'Neil Drive	\$ 400/lot	\$ 400/lot
Upgrade infrastructure on Penman	\$2,670/lot	\$ 2,670/lot
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$6,149/lot</b>	<b>\$16,878/lot</b>
	=====	=====

**\*This area will require a water booster station in the future. This is a ~ \$1.0 million up-front cost OR an additional \$12,000/lot.**

**Development Charges: Sugarbush (Walden)**

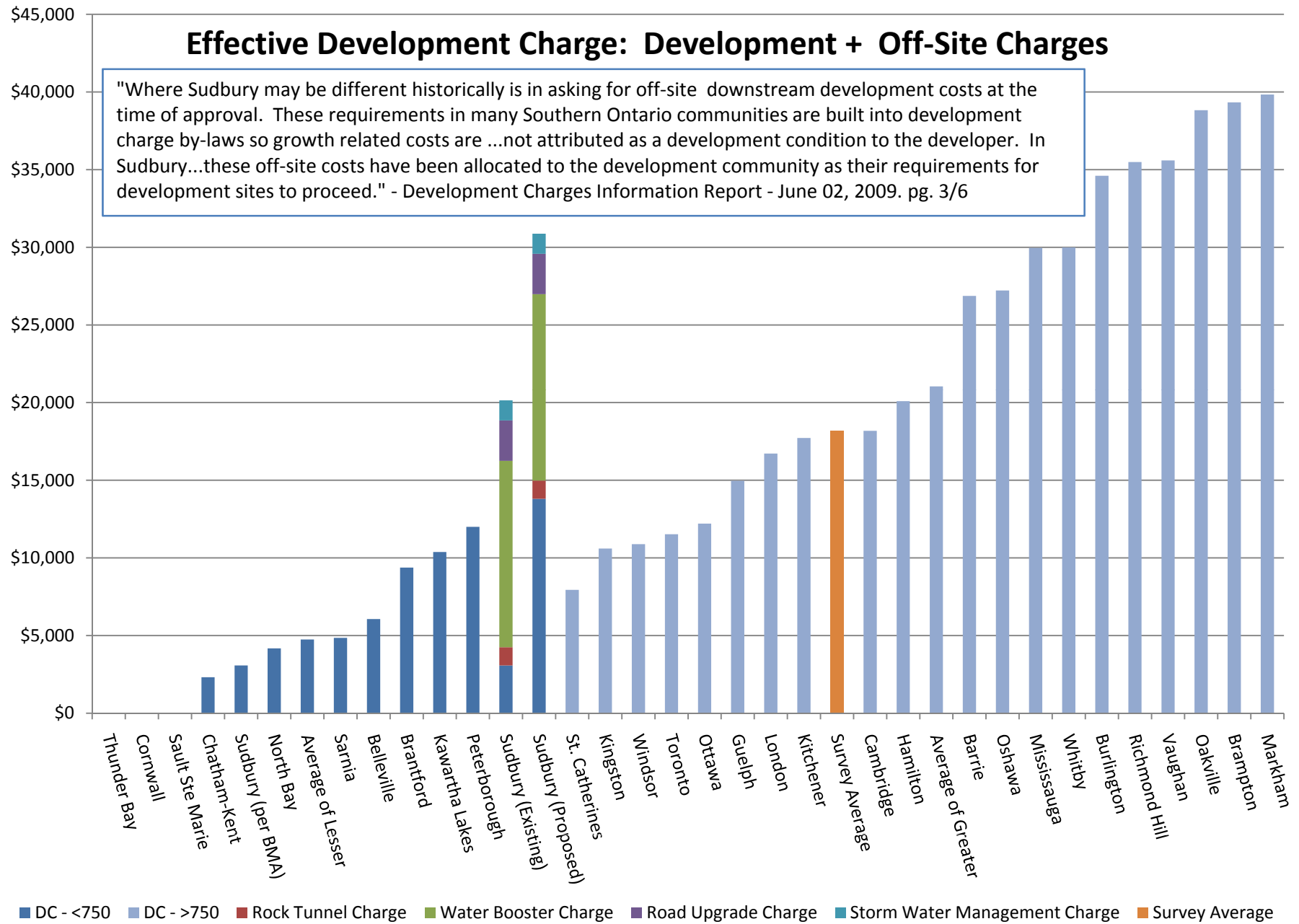
Current Charge:	\$3,079/lot	\$13,808/lot
Contribution to upgrade Niemi Road	\$3,145/lot	\$ 3,145/lot
Replace and upsize sanitary from Sugarbush to Third	\$ 850/lot	\$ 850/lot
Upgrade to existing sewage lift station	Cost yet TBD *	Cost yet TBD*
<b>TOTAL DEVELOPMENT CHARGE</b>	<b>\$7,074 +</b>	<b>\$17,803 +</b>

cost of upgrade for sewage lift station & booster station.

=====

## Effective Development Charge: Development + Off-Site Charges

"Where Sudbury may be different historically is in asking for off-site downstream development costs at the time of approval. These requirements in many Southern Ontario communities are built into development charge by-laws so growth related costs are ...not attributed as a development condition to the developer. In Sudbury...these off-site costs have been allocated to the development community as their requirements for development sites to proceed." - Development Charges Information Report - June 02, 2009. pg. 3/6



“The development charges imposed for infrastructure improvements with respect to off-site roads, drainage sewer and water improvements will address many of these upgrade issues and remove them as developer contributions...”

DEVELOPMENT CHARGES INFORMATION REPORT TO  
CITY COUNCIL DATED JUNE 02, 2009. PG. 3/6

- The Southend Booster Station [\$1.2million];
- Fourth Avenue upgrade [~\$750,000];
- Penman Street upgrade [\$400,000];
- Future Sugarbush sewage lift station upgrades;
- These prices exclude interest. A typical phase of a neighbourhood consists of 30 lots and will be absorbed in 1.5 – 2 years. Therefore it takes many, many years to recover these upfront costs and interest on the money is seldom ever recouped.
- **Will the requirement for these items be eliminated with the newly proposed DC?**

# What Other Municipalities Are Doing:

## **NORTH BAY: FREEZING**

- North Bay's DC is \$4,174.
- Freeze on DC
- Can only vote to increase development charges yearly based on CCP index.
- North bay does not require the developer to pay the down stream improvements (i.e., sewer replacement/upgrades, road upgrades, lights)- this is all included in Development charges

**“WE WANT GROWTH AND TAXES”** Alan Koval-North Bay!!!

# What Other Municipalities Are Doing:

## **TORONTO: FREEZING**

- City of Toronto staving off its DC increases for two years and possibly more depending upon the health of the industry.
- **IF ECONOMY STAYS IN A SLUMP FREEZE WILL REMAIN IN PLACE AND DEPENDING ON LEVELS OF ACTIVITY THE DC INCREASE WILL BE PHASED IN OVER A NUMBER OF YEARS.**



# What Other Municipalities Are Doing:

**HAMILTON: FREEZING**

**LONDON: FREEZING**

**NIAGARA: PROPOSING TO FREEZE**

# What Other Municipalities Are Doing:

## **OSHAWA: REDUCING**

- 14%-29% depending upon unit type.

GROWTH = TAXES =  TAX RATE

- LAST YEAR THE TAX RATE DROPPED BY 1.6% DUE TO GROWTH. **ENCOURAGE GROWTH!!**

## Effective Development Charge: Development + Off-Site Charges

"Where Sudbury may be different historically is in asking for off-site downstream development costs at the time of approval. These requirements in many Southern Ontario communities are built into development charge by-laws so growth related costs are ...not attributed as a development condition to the developer. In Sudbury...these off-site costs have been allocated to the development community as their requirements for development sites to proceed." - Development Charges Information Report - June 02, 2009. pg. 3/6

