

Development Charges – Treasurer’s Annual Statement as of December 31, 2024

Presented To:	Finance and Administration Committee
Meeting Date:	July 15, 2025
Type:	Correspondence for Information Only
Prepared by:	Apryl Lukezic Financial Support & Budgeting
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding Development Charges including a financial statement for development charges collected during 2024 along with reserve fund transactions and balances.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no financial implications associated with this report.

Background

This report provides a financial statement relating to development charges collected during 2024 including reserve fund transactions and balances.

What are Development Charges

In accordance with the Development Charges Act (DCA), the City of Greater Sudbury collects a development charge (DC) at the building permit stage to recover for growth related capital needs. Development charges are charges imposed by municipalities on developers/landowners of new development, re-development and expansions for residential and non-residential buildings, to pay for increased capital costs related to growth. Development charges provide municipalities with a tool to help fund the infrastructure needed to serve new growth. They help finance the growth-related capital costs of providing important services like roads, water and wastewater services, police, fire and transit.

How Development Charges Are Recorded

Development charges are collected into an obligatory reserve fund by service area as outlined in the 2019 and in the 2024 DC background studies. At the end of each year, staff reviews the spending on growth related projects as identified in the background study and transfers the DCs collected to the respective

growth related projects. This creates a project surplus which is transferred to the respective Capital Financing Reserve Fund. These reserve funds can then be used towards future capital projects.

Currently, DCs are not shown as a funding source in the annual Capital Budget as the funding amount is unknown until collected at the building stage which is based on the development activity that varies year to year. As well, there are DC instalments where DCs will be collected over five years when certain types of buildings are first occupied, as well as exemptions from the DC Act and DC By-Law 2019-100 and 2024-105.

Treasurer’s Annual Statement

The Development Charges Act, section 43(1) states that “The treasurer of a municipality shall each year on or before such date as the council of the municipality may direct, give the Council a financial statement relating to development charge by-laws and reserve funds established under section 33.” In addition, Paragraphs 12 and 13 of Ontario Regulation 82/98 indicate the information to be included in the report.

Appendix A provides a summary of the development charges collected during 2024 including reserve fund transactions and balances. Appendix B provides a list of growth related capital projects that have received contributions from the development charges reserve funds in 2024. The City prefunds the growth related portion of capital projects until development charges are collected in future years.

A summary of the Development Charges activities and obligatory reserve funds relating to by-law 2019-100 and 2024-105 is detailed below:

January 1, 2024 – opening balance	\$ 2,849,660
Development Charges collected	4,782,090
Interest earned	254,651
Transfers to capital projects	<u>(4,749,341)</u>
December 31, 2024 – closing balance	<u>\$ 3,137,059</u>

The balance in the obligatory reserve funds is made up of the following major categories:

General services	\$ 3,137,059
Engineered services	0
Total Development Charge reserve funds	<u>\$ 3,137,059</u>

Funds remaining in the Development Charges Reserve Funds are committed for projects as identified in the 2024 Development Charges Background Study. In addition, these funds have been reflected in the 2024 Development Charges Background Study under the column of “Available DC Reserves” which decreases DC eligible costs to be collected in the future as this amount has already been collected for projects not yet started (i.e. new buildings for Fire Services). The funds will be transferred to the capital projects when growth related costs are incurred.

The City is compliant with respect to the following “A municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct to service related to development, except as permitted by this Act or another Act.” This statement prohibits municipalities from requesting “voluntary, but mandatory” payments for the 10% discount, ineligible services and post period shares as it relates to the calculation of the DC rates within the DC background study.

Conclusion

Pursuant to Section 43 of the Development Charges Act, the Treasurer shall furnish to Council a financial statement (Schedule A, B and C) relating to the Development Charges By-Law and reserve funds.

Appendices

- Appendix A – Development Charges Obligatory Reserve Funds
- Appendix B – Annual Development Charges Transfers by Project
- Appendix C – Development Charges – Credits Outstanding

Appendix A
Development Charges Obligatory Reserve Funds
Annual Continuity Statement by Service Category
For the Year Ended December 31, 2024

	Balance at January 1, 2024	Development Charges Collected	Interest	Less: Transfers to Capital	Less: Transfers to Operating	Balance at December 31, 2024
General Services						
General Government (Note 1)	-	43,815	1,068	44,883		0
Library (Buildings)	-	86,210	1,645	87,855		-
Fire (Buildings and Equipment)	1,463,426	14,736	78,751	-		1,556,913
Police (Buildings and Equipment)	664,071	115,618	38,145	24,396		793,438
Parks and Recreation (Facilities & Parkland Development)	-	267,174	5,428	272,602		(0)
Cemetery (Note 2)	-	49	-	49		-
Ambulance (Buildings)	456,921	34,368	25,209	42,679		473,819
Transit (Buildings)	265,241	132,490	15,159	-	100,000	312,890
Emergency Preparedness (Buildings and Equipment)	-	81,806	1,899	83,705		(0)
Total General Services	2,849,659	776,266	167,303	556,169	100,000	3,137,059
Engineered Services						
Roads and related	-	2,279,958	51,534	2,331,492		-
Water	-	347,857	6,512	354,369		-
Waste Water	-	1,170,501	24,616	1,195,118		-
Drains	-	207,556	4,686	212,242		0
Total Engineered Services	-	4,005,874	87,348	4,093,221	-	0
Total - January 1, 2024 to December 31, 2024	2,849,659	4,782,139	254,651	4,649,390	100,000	3,137,059
Comparative Balances - January 1, 2023 to December 31, 2023	2,623,447	3,641,739	231,004	3,546,529	100,000	2,849,660

Note 1 - DC's collected before July 1 2024 and from development charges instalments.

Note 2 - DC's collected from development charges instalments.

Appendix B							
Annual Development Charges Transfers by Project for Growth Related Projects Identified in 2024 Development Charges Background Study							
For the Year Ended December 31, 2024							
Project Description	Cost to December 31, 2024	Net Growth Related Share (Development Charges)					Total Funding to December 31, 2024
		Amount Funded by Development Charges Collected During 2024	Amount Funded by Development Charges Collected up to December 2023	Municipal Contribution to be Repaid by Development Charges Collected in the Future (Note 1)	Grants / Subsidies / Other	Municipal Contribution (Benefit to Existing / 10% Statutory Deduction)	
General Services							
General Government							
Official Plan Update	302,286		136,029	-		166,258	302,286
2019 Development Charges Study	93,066		83,759	0		9,306	93,066
2024 Development Charges Study	81,534	25,122	36,880	-		19,532	81,534
2019 Population Project Forecast	35,879		32,291	-		3,588	35,879
2024 Population Project Forecast	55,490	19,761	30,180	-		5,549	55,490
Land and Planning Software	1,224,443		18,513	-		1,205,930	1,224,443
Subtotal	1,792,698	44,883	337,653	0	-	1,410,162	1,792,698
Library (Buildings)							
South Branch Library Expansion	5,713,696	87,855	1,344,647	2,191,124	138,888	1,951,183	5,713,696
Circulation Materials	6,329,761			231,265		6,098,496	6,329,761
Electronic Materials	969,490			35,421		934,068	969,490
Subtotal	13,012,947	87,855	1,344,647	2,457,811	138,888	8,983,747	13,012,947
Fire (Buildings and Equipment)							
Station Redevelopment	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Police (Buildings & Equipment)							
Communications Infrastructure	12,582,035	24,396	647,179	433,448	304,000	11,173,012	12,582,035
Next Generation 911	109,026		1,199	2,835		104,992	109,026
Subtotal	12,691,061	24,396	648,378	436,283	304,000	11,278,004	12,691,061
Parks and Recreation (Facilities & Parkland Development)							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	272,602	4,059,840	6,031,673	11,200	0	10,375,315
Subtotal	10,375,315	272,602	4,059,840	6,031,673	11,200	0	10,375,315
Cemetery							
Civic Cemetery - Interior Niche Expansion	45,792	49		1,308		44,435	45,792
Subtotal	45,792	49	-	1,308	-	44,435	45,792
Transit							
Transit Garage	18,098,787	100,000	1,641,607	2,321,810	8,648,980	5,386,390	18,098,787
Major Mobility Hub Detailed Design & Construction	463,009			9,644	404,195	49,170	463,009
Transit Technology Improvements	935,274			24,656	784,917	125,701	935,274
Subtotal	19,497,069	100,000	1,641,607	2,356,111	9,838,091	5,561,260	19,497,069
EMS							
Vehicle Garage	33,236	33,236		-		-	33,236
Vehicle Wash System	258,459	9,443		-		249,016	258,459
Subtotal	291,695	42,679	-	-	-	249,016	291,695
Emergency Preparedness (Buildings and Equipment)							
CLELC Phase II	2,284,795	83,705	825,270	375,821	1,000,000	-	2,284,795
Garage for Mobile Command Unit	354,042			354,042		-	354,042
Subtotal	2,638,837	83,705	825,270	729,863	1,000,000	-	2,638,837
Total General Services	60,345,415	656,169	8,857,394	12,013,048	11,292,179	27,526,625	60,345,415

Project Description	Cost to December 31, 2024	Amount Funded by Development Charges Collected During 2024	Amount Funded by Development Charges Collected up to December 2023	Municipal Contribution to be Repaid by Development Charges Collected in the Future (Note 1)	Grants / Subsidies / Other	Municipal Contribution (Benefit to Existing / 10% Statutory Deduction)	Total Funding to December 31, 2024
Engineered Services							
Roads and related							
Lasalle Notre Dame Intersection Improvements	8,051,462	114,901	1,888,307	(0)	38,630	6,009,624	8,051,462
Maley Drive	89,178,849		815,547	16,735,973	53,800,000	17,827,329	89,178,849
Barry Downe Road from Westmount Road to Kingsway	5,204,407	191,748		-	22,020	4,990,638	5,204,407
MR35 from Notre Dame West to Hwy 144	30,399,874	587,720		451,689	2,307,746	27,052,720	30,399,874
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	6,206,581	1,527,437		2,710,080	152,986	1,816,078	6,206,581
Kingsway Realignment	3,989,164	(95,653)	243,252	-		3,841,565	3,989,164
Silver Hills Drive	914,274	-	914,274	-		-	914,274
Montrose Avenue	1,211,553	5,339	602,000	(0)	301,000	303,214	1,211,553
Elgin Greenway from Nelson St to Cedar Street	165,520			6,124		159,396	165,520
Active Transportation	4,979,101			140,173	1,190,649	3,648,279	4,979,101
College Street Bridge	834,066			30,860		803,206	834,066
Lasalle Elisabella - Industrial Park Infrastructure	995,783			199,157		796,627	995,783
Traffic Signal Improvement System	4,039,811			545,383	2,949,044	545,383	4,039,811
Subtotal	156,170,445	2,331,492	4,463,380	20,819,439	60,762,076	67,794,058	156,170,445
Water							
New Valley Wells	7,195,923	67,652	926,769	2,603,540		3,597,962	7,195,923
Wanapitei Alternate Trunk - Preliminary Design Geotechnical Study	2,084,026		20,500	117,591		1,945,934	2,084,026
Maley Drive (Lansing to National)	2,756,785	166,079	-	16,590		2,574,115	2,756,785
Lorne Street	327,091			21,674		305,417	327,091
Garson Water Servicing	89,528			17,906		71,622	89,528
Kelly Lake Road	538,520	21,009	-	14,674		502,837	538,520
Vermillion System Water Treatment Upgrades	1,735,964			115,028		1,620,936	1,735,964
Lively Watermain Upgrades	2,553,768	99,628	-	69,589		2,384,551	2,553,768
Lasalle Elisabella - Industrial Park Infrastructure	958,539			766,831		191,708	958,539
Subtotal	18,240,144	354,369	947,269	3,743,424	-	13,195,082	18,240,144
Waste Water							
BioSolids Management Facility	70,049,434			8,202,371	11,475,646	50,371,417	70,049,434
Walden WWTP Expansion - Design/Admin/Construction	1,793,985.95	(7,411)	665,328	(0)		1,136,070	1,793,986
WWTP Upgrades for Azilda	4,721,803	-	68,469	374,867		4,278,467	4,721,803
Sudbury WWTP Phase II	16,643,201	1,202,529	919,823	3,792,601		10,728,248	16,643,201
Sudbury WWTP Phase III	1,805,748			106,554		1,699,194	1,805,748
Gatchell Outfall Sewer	2,847,743	-	147,024	-		2,700,719	2,847,743
Lively Phase 2 - Upgrade Sanitary Sewer Pipes	4,663,261			1,762,004		2,901,257	4,663,261
Ramsey Lift Station	100,931			50,466		50,466	100,931
Jacob St Sewer (Lively Phase 1)	3,923,409	-	36,967	1,455,404		2,431,038	3,923,409
Spruce Lift Station	220,441			198,550		21,890	220,441
Government Road Lift Station	47,827			6,731		41,096	47,827
Lasalle Elisabella - Industrial Park Infrastructure	106,447			85,238		21,209	106,447
Subtotal	106,924,231	1,195,118	1,837,609	16,034,787	11,475,646	76,381,071	106,924,231
Drains							
Algonquin Stormwater Conveyance Improvements	127,006	-	63,503	-		63,503	127,006
Countryside Stormwater Pond and Channel	3,935,828	212,242	31,876	2,417,876	385,142	888,692	3,935,828
Lavalee Drain F	26,069	-	13,035	-		13,035	26,069
Subtotal	4,088,903	212,242	108,413	2,417,876	385,142	965,229	4,088,903
Total Engineered Services	285,423,723	4,093,221	7,356,672	43,015,527	72,622,863	158,335,439	285,423,723
Total	345,769,138	4,749,390	16,214,066	55,028,575	83,915,043	185,862,064	345,769,138

Note - The projects identified above are for projects with development charges collected and transferred during 2024 and/or earlier years.

Note 1 - The amount to be repaid by development charges collected in the future may vary based upon limitations under DC Act, actual growth forecast, exemptions, final costs, growth related portion of these projects and timelines.

Appendix C - Development Charges - Credits Outstanding
For the Year Ended December 31, 2024

The credits outstanding are in accordance with Section 38 of the Development Charges Act, 1997. The project noted below is a growth related project within the 2024 Development Charges Background Study that was constructed by the DC Credit Holder below. This growth related project is partially funded by development charges as noted on Schedule B and DC Credits (DC Credit at time of building permit issuance or cash payments based on negotiated agreement) is provided to the DC Credit Holder as form of payment for the constructed project.

DC Credit Holders	Service Area - Project	Opening Balance, January 1, 2024	Credits Granted	Credits Used / Transferred	Closing Balance, December 31, 2024
1721169 Ontario Inc.	Roads - Silver Hills Drive	772,703	-	(16,085)	756,618
		772,703	-	(16,085)	756,618