

## Backgrounder

For Immediate Release

Friday, June 5, 2009.

### **DEVELOPMENT CHARGES IN THE CITY OF GREATER SUDBURY**

#### **What are development charges?**

Development charges are collected by municipalities to fund capital expenditures that result from the expansion of municipal services to meet the needs of property development.

#### **Why is the City of Greater Sudbury revisiting its development charges by-law?**

The Development Charges Act (1997) legislates that the maximum life of a development charges by-law is five years from date of passage. The current City of Greater Sudbury By-law 2004-200F expires on July 13, 2009. A new by-law is required so the municipality can continue to collect development charges to fund the cost of growth related capital projects.

#### **When is a development charge applied?**

A development charge is payable on the date a building permit or other approval is issued and is based on the development charge schedule in force on that date.

#### **What are the current development charges in the City of Greater Sudbury?**

The current City of Greater Sudbury By-law 2004-200F applies to single family residential and multi-residential development. Rates are applied to water and wastewater services, police protection and roads.

Per unit charge for single family dwellings:

- Police: \$190
- Roads: \$659
- Water service: \$1,471
- Wastewater service: \$759

Total: \$3,079

Per unit charge for multi-residential dwellings and apartments:

- Police: \$114
- Roads: \$399
- Water service: \$888
- Wastewater service: \$458

Total: \$1,859

**Proposed development charges:**

The Development Charges Background Study provides calculated maximum rates based on a list of capital projects that are forecast over the next 10 years to support new residential, commercial and industrial development. A complete table, detailing proposed rates for services, is available in the study. Greater Sudbury Council has been given the option of phasing in the maximum rates shown in this table.

Growth related capital costs have been grouped into two categories: General Services and Engineered Services.

General Services refer to the following municipal services: general government, libraries, fire services, police services, parks and recreation, public works, emergency medical services, public transit and emergency preparedness. Engineered Services refer to: roads, water, wastewater and drains.

Proposed per unit charge for single family dwellings:

- General Services: \$4,277
- Engineered Services: \$9,531

Total: \$13,808

Proposed per unit charge for multi-residential dwellings and apartments:

- General Services: \$2,678
- Engineered Services: \$5,968

Total: \$8,646

Proposed rate per square foot for industrial development:

- General Services: \$1.08
- Engineered Services: \$2.96

Total: \$4.04 per square foot

Proposed rate per square foot for non-industrial (commercial and institutional) development:

- General Services: \$1.08
- Engineered Services: \$8.33

Total: \$9.41 per square foot

**What decisions will Council consider when adopting the new by-law?**

Greater Sudbury Council will consider data provided by the 2009 Development Charges Background Study as well as information gathered from meetings with stakeholders and the public. Three key decision points are summarized in the background study:

- Adoption of residential development charges. Option one is to immediately adopt maximum allowable rates. Option two is to phase in maximum allowable rates over a period of time, for example three to five years.
- Adoption of non-residential development charges, excluding institutions. Option one is to immediately adopt maximum allowable rates for commercial and industrial development. Option two is to phase in maximum allowable rates over a period of time, for example three to five years.
- Exemption of designated town centres (downtown areas) from development charges.