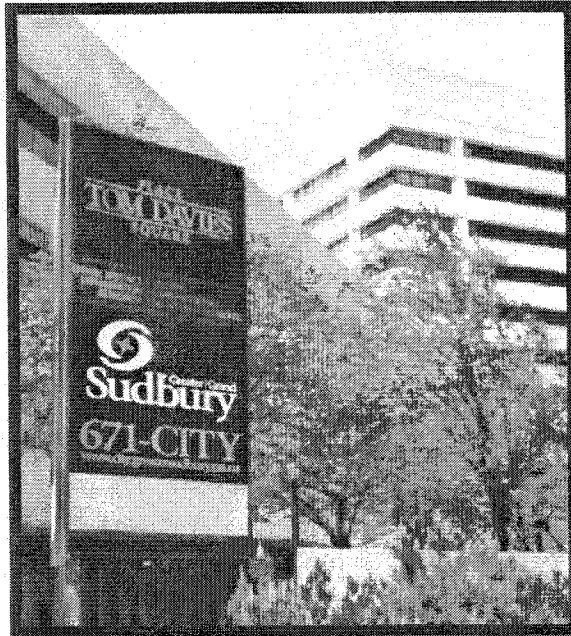


Vision: The City of Greater Sudbury is a growing, world-class community bringing talent, technology and a great northern lifestyle together.

Vision : La Ville du Grand Sudbury est une communauté croissante de calibre international qui rassemble les talents, les technologies et le style de vie exceptionnel

Agenda Ordre du jour



For the Special
City Council
Meeting
to be held

Wednesday, August 9, 2006
at 3:00 p.m

Pour la réunion
extraordinaire du
Conseil municipal
qui aura lieu

mercredi le 9 août 2006
à 15 h

Council Chamber
Tom Davies Square

dans la Salle du Conseil
Place Tom Davies

 **Greater | Grand
Sudbury**
www.city.greatersudbury.on.ca



Special Meeting of City Council **AGENDA**

*FOR THE FIFTEENTH SPECIAL MEETING
OF THE COUNCIL OF THE CITY OF GREATER SUDBURY
TO BE HELD ON WEDNESDAY, AUGUST 9, 2006 AT 3:00 P.M.
IN COUNCIL CHAMBER*

**This is a Special Meeting of Council called by Mayor David Courtemanche
in accordance with Article 7.6 of Procedure By-law 2006-100.**

MAYOR COURTEMANCHE, CHAIR

1. Roll Call
2. Declarations of Pecuniary Interest

PUBLIC HEARING - FEES BY-LAW - SOUTH END ROCK TUNNEL

3. Introductory Remarks by Mayor Courtemanche:

(a) Purpose of the Public Meeting:

As required by the Municipal Act, 2001 a public meeting must be held where a municipality proposes to pass a fees by-law. Subject to a public meeting, Council by resolution approved a fee to recover \$7.229 million which represents the construction costs of the South End Rock Tunnel attributable to future development. The proposed recovery fees would be applicable to new development in the Rock Tunnel Catchment from all sectors - residential, commercial, industrial and institutional. This charge would be collected at the building permit stage and would be in addition to Development Charges.

The recovery fees from the various sectors are proposed to be applied as follows:

Sector	Amount	Capital Maximum Recovery Amount
Single Family Dwelling Multi Family Dwelling	\$4,621 per single family home \$2,772 per unit	\$4,771,000
Commercial/Industrial	\$16.96 per square metre	1,659,000
Hospital	\$6,106 per bed	529,000
University and Schools	\$475 per student	126,000
Student Residence	\$4,681 per unit	144,000
TOTAL		\$7,229,000

Following the public meeting, City Council will consider the following resolution:

RECOMMENDATION: THAT Council pass a Fees By-law to recover \$7.229 million which represents the construction costs of the South End Rock Tunnel in accordance with Option 1, as outlined in the report dated June 16, 2006 from the CFO/Treasurer and the report dated June 2006 from Hemson Consulting Ltd.

4. Report dated 2006-08-01, with attachments, from the Executive Director of Administrative Services regarding Public Notification Procedures - Fees By-law - South End Rock Tunnel.

1 - 60

(FOR INFORMATION ONLY)

(This report outlines the public notification procedures that were followed.)

5. Report dated 2006-08-04, with attachments, from the CFO/Treasurer regarding Section 391 Fees - South End Rock Tunnel.

61 - 70

(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

- ▶ Lorella Hayes, CFO/Treasurer
- ▶ John Hughes, Hemson Consulting Ltd.

At the close of the Agenda on Thursday, August 3, 2006 seven (7) requests were received by the City Clerk's Office to address Council on this matter.

ADJOURNMENT (RESOLUTION PREPARED)

2006-08-04

**ANGIE HACHÉ
CITY CLERK**

**CORRIE-JO CAPORALE
COUNCIL SECRETARY**

Request for Decision City Council




Type of Decision										
Meeting Date		August 9, 2006				Report Date		August 1, 2006		
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		<input checked="" type="checkbox"/>	High	Low	
		Direction Only			Type of		<input checked="" type="checkbox"/>	Open	Closed	

Report Title
Public Notification Procedures - Fees By-law - South End Rock Tunnel

Budget Impact & Policy Implication		Recommendation
N/A	This report has been reviewed by the Finance Division and the funding source has been identified.	
<p><u>Policy Implications</u></p> <p>The Municipal Act, 2001 requires the City to provide notice to the public of its intention to pass certain by-laws, the holding of certain required public meetings and of other matters. Schedule "A" of the City of Greater Sudbury's By-law 2003-2 sets out the form, manner and times the Notice shall be given, unless specified by the Municipal Act, 2001, another Act or a regulation or if Council directs that other public notice is to be given.</p> <p><u>Financial Impact:</u></p> <p>There is no financial impact associated with this Report.</p>		<p>This is a compliance report detailing how the notice requirements for the public meeting have been satisfied and appears for information only.</p> <p>At the close of the Agenda on Thursday, August 3, 2006, the City Clerk's Office received seven (7) requests to address the City Council concerning this matter.</p>
<input checked="" type="checkbox"/>	Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
<p><i>For Ron At-Cough</i></p> <p>Caroline Hallsworth Executive Director of Administrative Services</p>	<p><i>[Signature]</i></p> <p>Mark Mieto Chief Administrative Officer</p>

Report Prepared By	Division Review
Angie Haché City Clerk 	

Background Information

The Priorities Committee at it's meeting of June 21, 2006 passed resolution #2006-124:

Resolution 2006-124

"That Council approve financing of the \$7.229 million of the Rock Tunnel Project from the Capital Financing Reserve Fund - Wastewater:

And that Council approve Option 1, in order to recover the portion of the costs of the project financed through the Capital Financing Reserve Fund - Wastewater in the amounts of \$4,621 per single family dwelling, \$2,772 per unit for the multi-family dwellings, \$16.96 per square metre for Commercial/Industrial, \$6,106 per bed for Hospitals, \$475 per student for University and Schools, and \$4,681 per unit for Student Residences, for new properties to be constructed on the benefiting lands, subject to a public hearing to be held not before 21 days after Council approved the Priorities Committee recommendation;

And that such fees would be collected at the building permit stage;

And that the fees would be credited back to the Capital Financing Reserve Fund - Wastewater, as outlined in the report dated June 16, 2006 from the CFO/Treasurer and the report dated June 2006 from Hemson Consulting Ltd."

Attached is a copy of the report from the Chief Financial Officer/Treasurer dated June 16, 2006.

Compliance of Notice Requirements

In accordance with the above resolution and as required by the Municipal Act, 2001 and Council's Notification By-law 2003-2, the attached Notice of a Public Meeting regarding the proposed passing of a by-law by the Council of the City of Greater Sudbury to recover a portion of the costs related to the construction of the South End Rock Tunnel, was published in the in local newspapers as well as on the City's web page:

Sudbury Star - July 15, 2006
Le Voyageur - July 19, 2006

The proposed recovery fees would be applicable to future development in the Rock Tunnel Catchment from all sectors - residential, commercial, industrial and institutional.

The recovery fees from the various sectors are proposed to be applied as follows:

Sector	Amount	Maximum Capital Recovery Amount
Single Family Dwelling Multi Family Dwelling	\$4,621 per single family home \$2,772 per unit	\$4,771,000
Commercial/Industrial	\$16.96 per square metre	1,659,000
Hospital	\$6,106 per bed	529,000
University and Schools	\$475 per student	126,000
Student Residence	\$4,681 per unit	144,000
TOTAL		\$7,229,000

Public Hearing

At the close of the Agenda on Thursday, August 3, 2006 at 4:30 p.m., the City Clerk's Office received five (5) letters regarding this matter (copies attached) and seven (7) requests to address the Council (Speakers' List attached).

**PUBLIC HEARING - FEES BY-LAW - SOUTH END ROCK TUNNEL
WEDNESDAY, AUGUST 9, 2006 - COUNCIL CHAMBER, TOM DAVIES SQUARE
SUBMISSION/SPEAKERS' LIST**

NO.	NAME AND/OR ORGANIZATION	SUBMISSION and/or SPEAKER	
		SUBMISSION	SPEAKER
1	Ms. Jo-Anne Palkovits, CEO, St. Joseph's Health Centre (letter dated July 6, 2006)	✓	✓
2	Ms. Vickie Kaminski, President & CEO, Sudbury Regional Hospital (letter dated August 3, 2006)	✓	✓
3	Dr. S. Silverton, Vice-President, Academic Anglophone Affairs, Laurentian University (letter dated July 27, 2006)	✓	✓
4	Dr. Raymond Jacques		✓
5	Mr. Denis A. Michel, Lacroix, Forest (representing Ludger Michel Estates Limited)		✓
6	Mr. Denis Hubert, President, Collège Boréal (letter dated July 31, 2006)	✓	
7	Mr. M.D. Sinclair, Hinds & Sinclair (representing Dalron Construction Limited) (letter dated August 3, 2006)	✓	✓
8	Mr. Alex Fex, Sudbury Real Estate Board		✓



ST. JOSEPH'S HEALTH CENTRE
CENTRE DE SANTÉ DE ST-JOSEPH

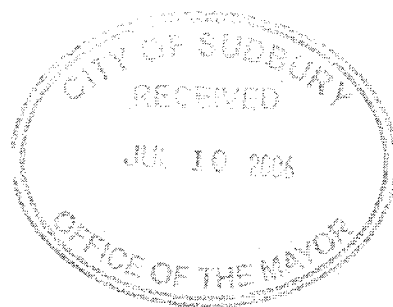
700, rue Paris St., Sudbury ON P3E 3B5

(705) 674-3181

*Always there to care.
Toujours là pour vous.*

July 6, 2006

Mayor Dave Courtemanche
P.O. Box 5000, Station A
200 Brady St.
Sudbury, ON
P3A 5P3



RE: Institutional development fees

Dear Mayor Courtemanche:

We are writing to protest City Council's recent decision to charge hospitals a development fee of \$6,106 per bed developed. This fee is meant to finance a sewer tunnel being built in the South End. This decision will negatively impact upon St. Joseph's Health Centre, as we have been mandated to develop 64 Complex Continuing Care (CCC) beds as an addition to St. Joseph's Villa on South Bay Road. These beds are being transferred to us by the Sudbury Regional Hospital and serve Sudbury's residents with medically complex, long-term needs like stroke, multiple sclerosis and acquired brain injury resulting from trauma.

For us, a \$6,106/bed charge equates to \$390,784. This is an astounding amount given the fact that we are completely dependent on the Ministry of Health and Long-Term Care for our funding. Our capital budget is set and not open to increase. Furthermore, raising extra revenue on the backs of our residents is unconscionable, as CCC patients are the sickest and neediest of those with long-term needs. To do otherwise, would be morally unacceptable.

News coverage of the decision quoted some Councillors as justifying the increase to developers and property owners in the South End because the rock tunnel will benefit them exclusively. This argument does not apply to public sector institutions. The SJHC, along with Sudbury Regional Hospital and Laurentian University, serve people from all parts of Greater Sudbury, not just the South End.

Since recouping this fee from the province or "passing it on" to our clients are not options, our Board of Directors would need to evaluate how it will redistribute available funding to make up the shortfall. Allow me to put this new charge of \$390,784 into perspective:

- The development fee equals the cost of purchasing ceiling lifts for every resident's room to meet current standards and best practices. Ceiling lifts improve work environments for our nurses and personal support workers as CCC residents are typically bed-ridden and wheelchair-bound.

- or -

- The development fee equals the salary of 6 full-time professional staff (*i.e.* 6 nurses).

Our Board would need to face the decision to cut services to the CCC residents. It may need to forego the purchase of ceiling lifts or something equally important to the quality of life for our residents.

In the longer term, this decision is counter productive to new development in the South End. To support the St. Joseph's Villa and CCC complex, we had anticipated working in partnership with other health providers to bring together a continuum of services for seniors and those with long-term needs. The announcement last week that Maison La Paix House will be building a 10-bed hospice beside the Villa is an excellent example of collaboration in this regard. However, given that Council has decided to increase the cost of development in the South End, potential not-for-profit partners may think twice about locating in the area.

Furthermore, we do not see how this decision aligns with the City of Greater Sudbury's Official Plan – a plan for growth and expansion. A fee of this sort on Sudbury's hospitals, universities and colleges will hamper the public sector's ability to expand its services, sustain growth and contribute to the City's economic development. In particular, we are very concerned about how this decision will impact upon the Sudbury Regional Hospital's acute care redevelopment project. The success of that capital project is critical to achieving the goals of Sudbury's plan for a Healthy Community.

We are very disappointed by this decision. Given the additional information contained in this letter regarding the decision's impact, we urge the Council members to reconsider.

In the meantime, we would like to schedule a meeting with you by the end of next week to discuss the following:

- What process was followed to arrive at this decision?
- Why was St. Joseph's Health Centre not consulted?
- Were other public sector providers consulted? If not, why not?
- Did Council analyze the impact that this decision would have on SJHC's CCC project and HRSRH's acute care redevelopment project?

I look forward to hearing from you in this regard.

Yours truly,



Monique Landry-Sabourin
Chair

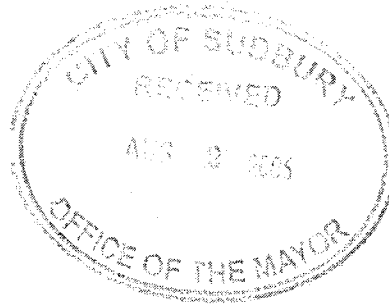
cc. Ward 1 Councillor Terry Kett
Ward 1 Councillor Eldon Gainer
Ward 2 Councillor Claude Berthiaume
Ward 2 Councillor Ron Bradley
Ward 3 Councillor Ron Dupuis
Ward 3 Councillor André Rivest
Ward 4 Councillor Ted Callaghan
Ward 4 Councillor Russ Thompson
Ward 5 Councillor Doug Craig
Ward 5 Councillor Frances Caldarelli
Ward 6 Councillor Janet Gasparini

Ward 6 Councillor Lynne Reynolds
Honourable Rick Bartolucci, MPP, Sudbury
Judith Woodsworth, President, Laurentian University
Sylvia Barnard, President, Cambrian College
Denis Hubert, Président, Collège Boréal
Board of Directors, St. Joseph's Health Centre
Board of Directors, Hôpital régional de Sudbury Regional Hospital
Vickie Kaminski, CEO, Hôpital régional de Sudbury Regional Hospital
Bob Hofmann, Capital Project Manager, Hôpital régional de Sudbury Regional Hospital



July 27, 2006

Mayor David Courtemanche
City of Greater Sudbury
P.O. Box 5000, Station A
200 Brady Street
Sudbury, ON P3A 5P3



Dear Mayor Courtemanche,

On behalf of Laurentian University, I would like to request that City Council reconsider its recent decision to include post-secondary educational institutions in the assessment of a new fee to finance a shortfall in the financing of the South End sewer tunnel.

Like all post-secondary institutions in Ontario, Laurentian University receives its funding from the Ministry of Training, Colleges and Universities, in accordance with Ministry guidelines and policies and governed by "Accountability Agreements" between the University and the Ministry. In addition to public funding, University revenues include tuition fees collected from our students. These fees are regulated by the Ministry. We were recently granted permission to increase fees to enable us to improve the quality of education and service to students. We would not be in a position to increase tuition further to offset these new costs arising from Council's decision.

Based on a recent conversation between our Director of Financial Services and the City of Greater Sudbury's Chief Financial Officer, the additional costs could amount to the following: a charge of \$4,681 for each unit in a new residence, plus a new enrolment charge of \$475 per student, for a total of more than \$250,000 in additional costs to the university in the near future.

The impact of these costs is significant to our institution and would result in a decreased ability to offer services to our students and the community. Here are some examples of what could be accomplished with that amount of money. With \$250,000, we could:

- provide 125 students with a scholarship for one year of studies;
- pay a year's salary for two full-time and five part-time professors;
- support two years of an intensive counseling and academic skills program, allowing 200 students, who initially failed their first year of university, to return for a second year of university study;

..12

modernize all of our distance education courses to better meet the needs of the increasing numbers of mature and place-bound students of our region -- those who cannot pursue university degree studies without our award-winning online and distance programs.

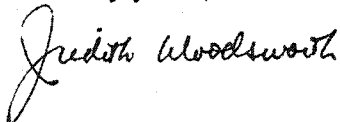
Furthermore, the geographic distribution of sewer infrastructure costs is not only inconsistent with our post-secondary responsibility to all of Greater Sudbury and beyond, it is also inconsistent with the City of Greater Sudbury's responsibility, thereby setting a precedent for a "have" versus "have-not" distribution of infrastructure and services to the whole city area. Consider the scenario if a less central, less affluent area of Greater Sudbury requires significant infrastructure improvement in the future -- Onaping, for example -- a geographically-based fee may not produce adequate funding for the necessary improvement.

We have consulted with other post-secondary institutions in the City of Greater Sudbury and with representatives from hospitals and healthcare institutions. What we have in common is our not-for-profit, public sector, Ministry-funded status. For all of us, the inconsistency of the localized sewer user fee assessment with our widely-based services to the community and our dependence on provincial government funding is a serious problem.

In addition, Laurentian University already has a 1985 sewer agreement with the city, signed when sewer ownership was transferred from the university. According to our records, the university was granted sewer capacity considerably in excess of its current usage. In the event that a sewer development fee is considered by the City of Greater Sudbury, this previous agreement will need to be reviewed, and the appropriate credit for sewer usage applied.

We are sensitive to the position of the City of Greater Sudbury under Section 391 of the Municipal Act, but our view is that a more general geographic distribution of this cost overrun in a general rate increase will be more consistent with the needs of the broad public. We therefore respectfully request a reconsideration by City Council of the assessment of a new sewer fee to complete the financing of the South End sewer tunnel.

Sincerely yours,



Judith Woodsworth, PhD
President

July 31, 2006

Mayor David Courtemanche
City of Greater Sudbury
Box 5000, Station A
200 Brady Street
Sudbury ON P3A 5P3

Re : By-law to impose development charges for the South End Rock Tunnel

Your Worship,

On behalf of Collège Boréal, I am writing to express my opposition to City Council's recent decision to impose development charges on colleges, universities and hospitals, for all future development in the City's south end. These charges are to finance the south end rock tunnel currently under construction. The institutions above would suffer tremendous economic losses if the proposal is put into effect and the City's institutional sector is hit with development charges.

As you know, the fees set by Ontario's colleges and educational institutions are regulated by the provincial government and cannot be changed, regardless of unforeseen development charges. Having said that, any extra financial burden on our current and future budgets would probably translate into service, product and staffing reductions.

Colleges, universities and hospitals are three of the pillars upon which healthy communities are built. By imposing an added financial burden on these institutions, you are going against the development and prosperity of our community. Even though Collège Boréal is not directly impacted by the current proposal, we are concerned that an irreversible precedent will be set, one that could have an important effect on our college's future budgets.

We stand with Greater Sudbury's other institutions in opposing the proposed institutional development charges and we ask Council to reverse its decision and exempt Greater Sudbury's institutional sector.

We hope our municipal representatives will reconsider its decision in favour of the institutions of our great City.

Thank you in advance for your attention to this matter.

Denis Hubert,
President, Collège Boréal

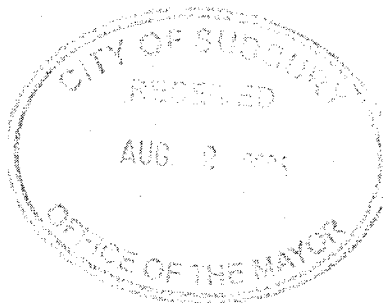


Collège Boréal

BUREAU DU PRÉSIDENT

Le 31 juillet 2006

Monsieur David Courtemanche
Maire
Ville du Grand Sudbury
C. P. 5000, Station A
200, rue Brady
Sudbury ON P3A 5P3



Objet : Règlement sur les droits et redevances pour le tunnel de roche du secteur sud de la ville

Monsieur,

Au nom du Collège Boréal, je vous écris pour m'opposer à la récente décision du Conseil municipal d'imposer aux collèges, universités et hôpitaux des frais de développement institutionnel pour tout projet de construction futur à l'extrémité sud du Grand Sudbury. Ces frais serviront au financement du tunnel d'égout qui est actuellement en construction à l'extrémité sud de notre ville. Ces institutions subiront des graves répercussions économiques négatives si cette proposition est mise en œuvre et imposée au secteur institutionnel de la ville.

Comme vous le savez, les frais établis par les collèges de l'Ontario et les autres institutions d'enseignement sont régis et imposés par la loi, par le gouvernement provincial et ils ne peuvent pas être changé, même advenant des coûts d'exploitation imprévus. Ceci étant dit, toute pression financière additionnelle sur nos budgets courants et futurs entraînerait probablement des réductions au niveau des produits, des services et du personnel.

Les collèges, les universités et les hôpitaux forment trois piliers sur lesquels se bâtissent des collectivités vivantes et saines. En imposant un fardeau financier supplémentaire sur ces institutions, vous irez à l'encontre du développement et de la prospérité de notre collectivité. Même si le Collège Boréal ne sera pas directement touché par la proposition actuelle, nous craignons qu'elle établisse un précédent irréversible qui risque d'avoir un important effet sur les budgets de notre collège à l'avenir.

Nous sommes donc solidaire avec les autres institutions du Grand Sudbury dans notre opposition aux frais de développement institutionnel actuellement proposés et nous demandons que le Conseil municipal infirme sa décision en favorisant plutôt une proposition qui exclut le secteur institutionnel du Grand Sudbury.

.../2

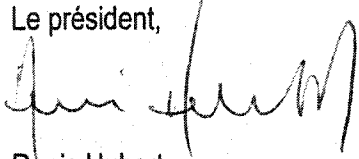
Monsieur David Courtemanche
Le 31 juillet 2006

2

Nous espérons que nos représentants municipaux prendront une nouvelle décision en faveur du secteur institutionnel de notre grande ville.

En vous remerciant à l'avance de l'attention que vous porterez à ce dossier, je vous prie d'agréer, Monsieur, mes salutations distinguées.

Le président,



Denis Hubert

c. c. Terry Kett, Conseiller, Quartier 1
Eldon Gainer, Conseiller, Quartier 1
Claude Berthiaume, Conseiller, Quartier 2
Ron Bradley, Conseiller, Quartier 2
André Rivest, Conseiller, Quartier 3
Ron Dupuis, Conseiller, Quartier 3
Ted Callaghan, Conseiller, Quartier 4
Russ Thomson, Conseiller, Quartier 4
Doug Craig, Conseiller, Quartier 5
Frances Caldarelli, Conseillère, Quartier 5
Janet Gasparini, Conseillère, Quartier 6
Lynne Reynolds, Conseillère, Quartier 6
L'honorable Rick Bartolucci, député provincial, Sudbury
Judith Woodsworth, Présidente, Université Laurentienne
Sylvia Barnard, Présidente, Cambrian College
Gisèle Chrétien, Présidente, Conseil d'administration, HRSRH
Vickie Kaminski, P.D.G., HRSRH

HINDS & SINCLAIR

BARRISTERS & SOLICITORS

J.S. HINDS, Q.C. M.D. SINCLAIR, Q.C.
IAN M.G. SINCLAIR

214 Alder Street
Sudbury, Ontario, P3C 4J2
TELEPHONE: (705) 674-7597
FACSIMILE: (705) 674-4916
EMAIL ADDRESS:
thefirm@hindsandsinclair.ca

August 3, 2006

DELIVERED

Mayor David Courtemanche
Members of Council
City of Greater Sudbury
City Hall
Tom Davies Square
200 Brady Street
SUDBURY, Ontario
P3A 5P3

Your Worship and
Members of Council:

RE: SOUTH END ROCK TUNNEL
Proposed Section 391 Charges By-Law

We have been consulted by Dalron Construction Limited with respect to the ongoing discussions and considerations by Council relating to the manner in which the cost of the South End Rock Tunnel is to be paid. May we say at the outset that the views and the opinions set out in this letter are intended to complement and reinforce the submissions contained in the letter dated March 1, 2006 from Dalron Construction Limited and Ludger Michel Estates Limited directed to Mr. Mark Mieto, Chief Administrative Officer and the letter dated May 31, 2006 from Dalron Construction Limited to Mayor Courtemanche. Copies of both of these letters are attached hereto.

The matter before Council, as advertised, is the consideration of a By-Law to “recover a portion of the costs related to the construction of the South End Rock Tunnel. The proposed recovery fees being intended to be applicable to future development in the Rock Tunnel Catchment from all sectors – residential, commercial, industrial and institutional.” According to the public advertisement the matter is to be considered by Council at a public meeting of Council to be held on Wednesday, August 9, 2006, in the Council Chamber commencing at 3:00 P.M. By this letter we are requesting the opportunity to make submissions to Council at that time. Could you kindly confirm that we will be placed on the list of presenters.

Recognizing that no one has yet to our knowledge been able to see, review and assess the proposed By-Law our submissions to Council shall include but not be limited to the following considerations:

- (A) the matter of fairness and lack of a consistent policy of charging for large capital projects of this nature;
- (B) the incompleteness of the public information and the lack of a precise and public definition of the “catchment area”;
- (C) the significant effect that such a proposed charge on south-end development will have on future taxes not only on properties in the proposed “catchment area” but also all other areas of the City of Greater Sudbury;
- (D) the fact that new residential properties and others already pay development charges to the City at the building permit stage;
- (E) bonusing; and,
- (F) potential provincial funding.

In making these submissions we are aware of the fact that in the most recent consideration of this matter no consideration was given by Council to the fifth option of scrapping the concept of the Section 391 By-Law and changing any unfunded portion of the costs to the general rate.

A) FAIRNESS AND CONSISTENCY

In the past in the area which is now the City of Greater Sudbury there have been a considerable number of major public works undertaken all of which we understand were paid for out of the general rate, by the taxpayers as a whole and not just those who might have been in a defined area, a “catchment area”. Examples included:

- (i) the existing rock tunnels, over nine (9) miles in length, which were developed to service and allow development in New Sudbury, Minnow Lake, Gatchell, Second Avenue and other areas;
- (ii) the entire major sewer and water infrastructure created to service the Mikkola and Naughton areas of Walden, including the Walden Sewage Treatment Plant on Municipal Road No. 55;
- (iii) the Chelmsford Sewage Treatment Plant;

- (iv) the Garson main sewer line;
- (v) David Street Water Treatment Plant;
- (vi) Wanapitei Water Treatment Plant;
- (vii) the water trunk main from the Wanapitei water line through New Sudbury to the Montrose area;
- (viii) the Paris Street water trunk main; and,
- (ix) the Falconbridge Road trunk main.

Also, we understand that there are major projects such as the proposed Levack Water Treatment Plant, which is not being discussed as a candidate for special charges to owners within the area to be serviced, a defined "catchment area".

In addition, it is to be noted from Page 92 of the January 18, 2006 Agenda of the Priorities Committee "that about two-thirds of the project will service existing development that presently does have a wastewater service while about one-third will allow future development to take place". It is this latter one-third which has been selected to bear a substantial portion of the shortfall. The original two-thirds are not intended to be charged any share of the shortfall notwithstanding that they will benefit from the existence of the tunnel.

Also, there are presently being constructed elsewhere in the City, outside of the proposed "catchment area", residences which benefit from the existing sewer tunnels. Should they also be charged? We would submit that no residences, already constructed or to be constructed should be charged to cover the shortfall, all of which we feel should be covered by the general rate.

Lastly, all developers who are active in the south of the City, including those in the proposed "catchment area", bought land and have developed such land on the basis of the "old rules" which never anticipated any charges for the South End Rock Tunnel. Now they are faced with the additional proposed charge.

B) LACK OF DEFINITION OF "CATCHMENT AREA"

As noted, to date the public at large has not been privy to an actual version of the proposed By-Law which By-Law would, presumably, include a definition of the proposed "catchment area". Also we are aware of the fact that some owners within what has previously been discussed as the "catchment area" dispute the fact that their properties should be included and if they are in fact not to be in whatever the "catchment area" turns out to be are not the present financial calculations questionable and subject to further review?

C) TAX INCREASES THROUGHOUT THE ENTIRE CITY

It is our submission and we would respectfully submit it is accepted in the Greater Sudbury real estate community that the cost of residential units is largely influenced by prices of

residences in the south end of the City, including for the most part houses in areas which have been discussed as being included in the proposed "catchment area". Such being the case, if the cost of a new residence in the south end is increased by the suggested amount of \$4,621.00 per unit, why wouldn't a builder not in the "catchment area" not also charge an additional \$4,621.00 for an equivalent house? And this could be the case on a proportionate basis throughout the entire City. We would submit that once this process starts with new houses, and we feel that it will start, then prices of existing re-sale residences will increase.

If one raises the prices in the South End – by the addition of Sewer Tunnel Charges – then prices throughout the City will rise, assessment increases will follow and tax increases will be inevitable and close behind. Currently, our estimate of the annual average tax increase for each household in the entire City is \$80.00 to \$100.00.

D) EXISTING DEVELOPMENT CHARGES

Presently, any new house construction requires the owner to pay a development charge of \$2,612.00 to the City. Such development charges are intended to pay a pro-rated shares of costs separate and apart from the actual development of the building lot. These contribute to installed major infrastructure facilities such as water treatment plants and waste water treatment plants and major sewer and water trunk mains, all of which are physically well removed from the actual building lots.

It should be noted and it goes without saying that all of the costs of developing building lots within plans of subdivision and, in some cases, outside of subdivisions, are borne exclusively by the developers and these costs include but are not limited to:

- (i) roads
- (ii) sewer lines
- (iii) water lines
- (iv) site grading
- (v) water booster pumps, if needed
- (vi) electrical infrastructure
- (vii) parkland dedication

All of the above services are constructed by the developers at their own cost to municipal standards.

In the Dalron / Ludger Michel letter of March 1, 2006 directed to Mr. Mieto, clarification was sought whether or not any funds raised through development charges were ever used in the South End Rock Tunnel financing. If so, it would be our submission that the additional proposed charges are not allowed under the Municipal Act. To date there has been no formal response from Mr. Mieto and therefore we are very much up in the air. Perhaps Council already has an opinion from Mr. Swiddle and, if so, we would be obliged if we could share this opinion which surely goes to the root of the legality of the proposed charges.

E) BONUSING

If the proposed By-Law were to exempt commercial and/or industrial uses it is our submission that the proposed charges are not allowed under the Municipal Act and this is as noted in the Dalron / Ludger Michel letter to Mr. Mieto. Again, this would apply where Council chose to exempt industrial and commercial uses from the proposed By-Law.

F) POTENTIAL PROVINCIAL FUNDING

In the community there has been some discussion of the possibility of the funding costs being recoverable and/or supported through the Ontario Strategic Infrastructure Funding Authority. It is not apparent that this avenue has been pursued by the City and, perhaps, this could be addressed.

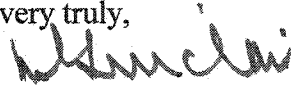
SUMMARY

In summary and for the reasons set out above it will be our submission to Council on August 9, 2006 that the entire proposed By-Law be scrapped and any shortfall on the South End Rock Tunnel project be covered from the general rate.

Of course, we shall be very pleased at the meeting to respond to any questions which you, Your Worship or any Councillors might have.

Thank you for the opportunity to provide comments to Council, all of which are submitted with the greatest of respect.

Yours very truly,



M.D. SINCLAIR, Q.C.

DALRON CONSTRUCTION LIMITED
and
LUDGER MICHEL ESTATES LIMITED

c/o 130 Elm Street
SUDBURY, Ontario
P3C 1T6

March 1, 2006

DELIVERED

Mr. Mark Mieto
Chief Administrative Officer
City of Greater Sudbury
Fourth Floor
Tom Davies Square
200 Brady Street
SUDBURY, Ontario
P3A 5P3

Dear Mr. Mieto:

Re: Priorities Committee Matter
Fees By-Law for South End Rock Tunnel

We are writing to you concerning a matter which came before the Priorities Committee at its meeting of January 18, 2006, relating to a proposal to fund the shortfall for the South End Rock Tunnel entirely by way of fees to be charged against new residential units. The report provided to the Priorities Committee stated that no funding for this deficiency would be sought through an increase in Waste Water Rates and no funding would be sought from existing residential units nor from present or future commercial and/or industrial users notwithstanding the fact, as set out in the report, that "about two-thirds of the project will service existing development that presently does have a wastewater service while one-third will allow future development to take place".

By this letter we are advising that we do not in any way support and in fact we very much oppose, the raising of monies by way of a special fee which will collect money only from future residential development. This proposal, we feel, most certainly discriminates against residential development and just as important, is an act which is not permitted and, in fact, is prohibited by the provisions of the Municipal Act and the regulations thereto as set out below.

A) DEVELOPMENT CHARGES MONIES

Over a considerable period of time we, as members of the development community, directly and through the Sudbury Home Builders' Association, have attempted to obtain a clear and unambiguous verification from the City that no monies from development charges have been used in the South End Rock Tunnel financing and to date, none has been received. Accordingly, given that such a simple direct question cannot be answered by the City, one can only presume that, in fact, money derived from development charges has been used to finance the South End Rock Tunnel. If such is the case, our position is that the proposed by-law to charge future residential development is not allowed by law.

Part XII of the Municipal Act, 2001 authorizes the Minister of Municipal Affairs and Housing to make regulations with respect to fees and charges imposed by Part XII of the Act. This regulatory power includes the power to impose conditions and restrictions on the municipal power. The Minister has made Ontario Regulation 244/02, which in Subsection 2.(1) reads as follows:

"Capital costs

2.(1) A municipality or local board does not have the power under Part XII of the Act to impose fees or charges to obtain revenue to pay capital costs, if as a result of development charges by-laws or front-ending agreements under the Development Charges Act, 1997 or a predecessor of that Act that was passed or entered into before the imposition of the fees or charges, payments have been, will be or could be made to the municipality or local board to pay those costs."

~~This subsection restricts a municipality from posing fees and charges under Part XII to pay capital costs if development charge by-laws are in place.~~

B) BONUSING

Traditionally, the Municipal Act in Ontario has restricted municipalities from bonusing commercial and industrial enterprises. This provision is currently found in The Municipal Act, 2001 in Section 106, which provides as follows:

"Assistance prohibited

106. (1) Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. 2001, c.25, s. 106 (1).

Same

(2) Without limiting subsection (1), the municipality shall not grant assistance by,

(a) giving or lending any property of the municipality, including money;

- (b) *guaranteeing borrowing;*
- (c) *leasing or selling any property of the municipality at below fair market value; or*
- (d) *giving a total or partial exemption from any levy, charge or fee."*

It is Section 106.(2)(d) that applies to the present situation. The proposed by-law exempts non-residential uses, i.e. commercial and industrial uses. This falls directly into the bonusing restrictions in Section 106. While subsection 394(2) referred to in the report to the Priorities Committee on January 18, 2006 is broad, it must be read subject to the general bonusing restriction in Section 106 which defined "bonusing" as giving a total or partial exemption from any levy, charge or fee to "any manufacturing business or other industrial or commercial enterprises".

CONCLUSION AND SUBMISSION

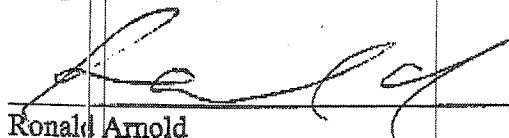
For the reasons set out above we do not feel that the proposed fee by-law is legal and further, in any event, it discriminates in a very unfair and unreasonable way against the residential housing sector. For these reasons, it is our belief that any shortfall for the South End Rock Tunnel financing should come out of general revenue.

We would be pleased to meet with you to discuss the matters set out in this letter, should you wish.

This letter, as you can see, is a joint submission of Ludger Michel Estates Limited and Dalron Construction Limited, both of which companies have been very involved in and a part of the residential development community in Sudbury for over thirty years, particularly in the south end of the old City, an area which will be serviced by the South End Rock Tunnel. Our efforts to bring housing to this area of the City can only be hampered by the fee by-law as proposed and for this reason we are making these submissions to you.



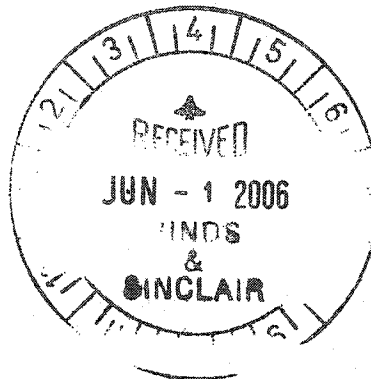
Arnel Michel
on behalf of
Ludger Michel Estates Limited



Ronald Arnold
on behalf of
Dalron Construction Limited

May 31, 2006

Mayor David Courtemanche
City of Greater Sudbury
P.O. Box 500, STN A
200 Brady Street
Sudbury, ON P3A 5P3



Re: South End Rock Tunnel Fee

Dear Mayor David Courtemanche,

I understand that the proposal to charge fees to the new home buyer, who will be utilizing the rock tunnel, will be discussed and voted upon at your June 6th meeting.

I would appreciate very much if you would consider the following:

- The rock tunnel was built to solve an existing problem. In fact approximately two thirds of the tunnel is needed to address this problem.
- One third of the tunnel will accommodate growth.
- The anticipated growth includes: industrial, commercial and institutional.
- People from all areas within the City of Greater Sudbury shop and work at various commercial establishments in the south end, which have been built recently and that will be built, and will utilize this sewage tunnel.
- People from all parts of the City of Greater Sudbury work and attend school at Laurentian University.
- People from all parts of the City of Greater Sudbury work and rely on our hospitals which will use this sewage tunnel.
- Will this rock tunnel not service our whole community?
- The intent was to pay for the City of Greater Sudbury's share of the cost in the same way as it paid for 2.75 miles of the Minnow Lake sewage tunnel.
- There presently exists 9.4 miles of sewer tunnel in our community: not one foot was paid for with a special fee.
- The south end rock tunnel will be approximately 4 miles long.
- Why is the ICI sector exempt?

.../2.

By creating a fee to be charged mainly to the new home buyer, who will use the tunnel, will affect only the new home buyers in Moonglo and in a few specific south end neighbourhoods.

The argument has been made that the existing home owner is already paying his share. Please look at this from the new home buyer's point of view:

- 1) The new home buyer must pay the total cost of the development of his lot including all costs for: road, curbs, asphalt, street lights, storm sewer, sanitary sewer, water, parkland, street signs, upstream and downstream services required to bring services to the subdivision, etc.
- 2) Further to the above, the new home buyer pays a development fee of \$2,612.
- 3) The roads and services the new home buyer has paid for will not require the maintenance that an older area requires.
- 4) The new home buyer will already pay, through his taxes, more than the existing home owner will pay for the tunnel.
ie., typically the taxes of a new home are higher than an existing home and part of these higher taxes, just as part of the existing home owner's taxes, will be used to pay for this tunnel.

On average a new home buyer pays 1.89 times more taxes than an existing home owner.

Average taxes paid by a new home owner is approximately \$4,465.01.

Average taxes paid by an existing home owner is approximately \$2,683.49

Are you not then penalizing the new home buyer even more?

The owner of the land to be developed has also paid taxes: part of which pay for this and other sewer tunnels as well as other community benefits.

Let's look at other projects that have been completed recently and that will be completed in the future:

- a) Road and drainage improvements to Municipal Road 80: I would argue that mainly Valley East residents use Municipal Road 80.

Why are the south end residents only asked to pay?

- b) Maley Drive Extension: Will the south end residents use this road? Most likely not. Why will the south end residents be asked to pay "their share" when they will use it very infrequently, if at all.

Mayor David Courtemanche
May 31, 2006
Page 2.

I know that you have listened to others who see this issue differently and that you have a responsibility to your constituents: please consider that they may not see the whole picture.

Dalron also pays taxes for all of its commercial, residential, and industrial properties, with last year's total at more than \$2,200,000.00. Will we not be paying our fair share towards this and other tunnels already?

To conclude, a select few new home buyers are being asked to pay more than their fair share. Is this really the way the City of Greater Sudbury does business?

Should the City of Greater Sudbury include ICI?

Or

Should the City of Greater Sudbury look at this as an investment in the future of our community?

Thank you for your consideration.

Sincerely,



Ron Arnold
Dalron Construction

- Cc. Denise Lafond, Sudbury & District Home Builders Association
Mac Sinclair, Hinds & Sinclair
Steve Irwin, Chair, Greater Sudbury Development Corp.
John Arnold, Dalron
Krist Arnold, Dalron
Pat Greasely, Dalron



HÔPITAL RÉGIONAL DE
SUDBURY
REGIONAL HOSPITAL

August 3, 2006

Mayor David Courtemanche
Members of Council
City of Greater Sudbury
City Hall
Tom Davies Square
Sudbury, ON
P3A 5P3

Your Worship and members of Council;

RE: PROPOSED SOUTH END ROCK TUNNEL SECTION 391 CHARGE BY-LAW

Please accept this submission for your consideration as you discuss the proposed by-law change. We are pleased to have this opportunity to be consulted on this issue and to provide our concerns for your review.

At the outset let me acknowledge that we are aware of and support the opinions being offered on behalf of Dalron Construction Ltd. and Ludger Michel Estates Ltd; that being the elimination of development fee charges for the Rock Tunnel.

Since the Hôpital régional de Sudbury Regional Hospital (HRSRH) falls within the catchment area of this development we are targeted for contribution to this cost recovery plan. The proposal you are considering would see a charge of \$6,106 dollars per bed at HRSRH. While it is unclear which beds would be subjected to this levy what is clear is the projected increase to the cost of our construction budget - minimally \$600,000 dollars and potentially \$1.3 million dollars.

This is deeply concerning to us on a number of levels. We have an approved construction estimate that has gone out to tender. That estimate has no inclusion of these additional charges. Therefore no budget has been attached to this new charge. Our Capital Construction Financing Plan has been completed and does not have this significant cost included. To add a million dollars to the project at this date is unreasonable, and as it was unanticipated, it is unbudgeted. There is no opportunity for the Hospital to raise these funds unless we go out "hat in hand" to the residents of Greater Sudbury or alternatively, if we eliminate a health related program or service that the residents of Greater Sudbury require.

In addition to the large financial impact, this change would also result in significant timing delays to the hospital's construction project. As you are aware, the HRSRH's redevelopment project is being overseen by various provincial partners such as the Ministry of Health, the Ministry of Public Infrastructure Renewal and Infrastructure Ontario. Any changes to the project's financing plan would require a lengthy approval process.

In your deliberations on August 9, 2006 we would ask that you consider a number of issues:

- the total bed count of HRSRH at the completion of the one site hospital will be less than the current bed count of the three existing hospital sites, all located in the South End



Laurentian Site
Emplacement Laurentien
41, Chemin du lac
Ramsey Lake Road
Sudbury (Ontario) P3E 5J1
(705) 523-7100



Memorial Site
Emplacement Mémorial
865 sud. rue Regent St. S.
Sudbury (Ontario) P3E 3Y9
(705) 671-1000



ST. JOSEPH'S HEALTH CENTRE
CENTRE DE SANTÉ DE ST-JOSEPH
700, rue Paris St.
Sudbury (Ontario) P3E 3B5
(705) 674-3181

Toll free / sans Frais
1-866-469-0822

www.hrsrh.on.ca

- beds at the Memorial site and St. Joseph's Health Centre will be closed as the beds at HRSRH are opened
- building permit fees and required improvements to surrounding City property have already been agreed to and/or paid based on the scope of work being done
- HRSRH serves the residents of the City of Greater Sudbury not just residents of the South End. Therefore any improvements are beneficial to the City and not just to a localized catchment area within it.
- the Complex Continuing Care (CCC) beds being moved to St. Joseph's Villa are integral to the redevelopment of the one-site hospital. Any element that delays or negatively impacts on the relocation of these beds negatively impacts on the scope, cost and schedule of the HRSRH redevelopment plans. It is our understanding that the implementation of these development fees will have a negative impact on the planning of the CCC beds at the Villa.

The City has generously supported the HRSRH in the past and is currently committed to giving the Hospital approximately \$1 million dollars per year for its capital redevelopment project. This money is necessary if we are to be able to afford the redevelopment at one site. To impose a fee that would then eliminate that benefit and much needed cash seems unreasonable at this stage of the Hospital's project. Through our building permit costs and City property improvements that have already been paid, we have contributed well in excess of \$2.5 million dollars to the City's coffers.

The institution of development fees such as being proposed for the Rock Tunnel sets a disquieting precedent for the future. Where will the City of Greater Sudbury be when other parts of this community (defined catchment areas) require improvements or upgrading? How will the implementation of these fees affect the City's Official Plan of encouraging growth, development, expansion and the attraction of new businesses to the City?

Thank you for the opportunity to be consulted and heard on this issue. We would ask that you carefully consider the impact of this decision on the Hospital's ability to move forward with its one site plans and the provision of health care services. Please reconsider your decision.

Sincerely,



Vickie Kaminski
President & Chief Executive Officer
Hôpital régional de Sudbury Regional Hospital

Request for Recommendation Priorities Committee



Type of Decision							
Meeting	June 21, 2006			Report Date	June 16, 2006		
Decision Requested	X	Yes	No	Priority	X	High	Low
	Direction Only			Type of Meeting	X	Open	Closed

Report Title
South End Rock Tunnel

Budget Impact / Policy Implication	Recommendation
X This report has been reviewed by the Finance Division and the funding source has been identified.	

That Council approve financing of the \$X million of the Rock tunnel project from the Capital Financing Reserve Fund - Wastewater; and

That Council approve Option __, in order to recover the portion of the costs of the project financed through the Capital Financing Reserve Fund - Wastewater in the amounts of \$XXXX per single family dwelling and \$XXXX per multi-family dwellings, \$XXXX per Commercial/Industrial, \$XXXX for Hospitals, \$XXXX for Schools, \$XXXX for University, and \$XXXX for Student Residences for new properties to be constructed on the benefitting lands, subject to a public hearing to be held not before twenty-one days after Council approves the Priority Committee's recommendation; and

That such fees would be collected at the building permit stage; and

That the fees would be credited back to the Capital Financing Reserve Fund - Wastewater;

All in accordance with the details outlined in the following report and the attached report from Hemson Consulting Ltd. dated June 2006.

X Background Attached

Recommendation Continued

Recommended by the Department

Lorella Hayes
Lorella Hayes
Chief Financial Officer / Treasurer

Recommended by the C.A.O.

Mark Mieto
Mark Mieto
Chief Administrative Officer

Report Prepared By	Division Review

BACKGROUND

In June 2005, Council approved the construction of the South End Rock tunnel which will provide the much needed additional waste water collection capacity. The tunnel will enable development to proceed on a substantial number of residential lots as well as opening up other sites for non-residential development.

The project is about 18% complete, and expected completion date 2008. Total budgeted project cost is \$31 M.

The following is a summary of the history of South End Rock Tunnel financing strategy:

	Original Budget	Revised Budget 2003	Revised Budget (after tender)
Total projected Cost	\$ 22.7 M	\$ 22.7 M	\$ 31.1 M
Financed as follows:			
Provincial Grants	8.4	8.4	8.4
Federal Grants	7.6	-	-
Contribution from Waste Water Reserves	1.9	3.0	3.1
Contribution from Waste Water Capital Funds	4.8	8.1	9.0
Contribution from Future Waste Water Capital Envelopes (2007 and 2008)		3.2	6.3
Contribution from Capital Roads 2006 Envelope	-	-	0.3
Total Financing Sources	\$ 22.7 M	\$ 22.7 M	\$ 27.1 M
SHORTFALL			\$ 4.0 M

As illustrated above, the original budget anticipated the receipt of a Federal contribution to the project. When it was realized that federal funding for the Rock Tunnel would not be forthcoming, Council approved additional financing of \$7.6 M to fund the shortfall through a further contribution from reserves and commitments of future capital envelopes. When the tender was finally called, in early 2005, the result was that an additional \$8.4 million was needed to finance this project.

In June 2005, Council was able to achieve a partial solution to this shortfall as follows:

- Contributions from reserves were increased slightly
- Contributions from existing Wastewater capital envelopes were increased by \$900,000
- \$340,000 was committed from the 2006 Roads capital budget for a roads-related portion of the project; and
- A further \$3.1 million was committed from future (2006-2008) Wastewater capital envelopes.

In summary, the revised South End Rock Tunnel budget reflected a \$8.4 M provincial grant, \$18.7M contribution from Water Wastewater users, leaving a shortfall of \$4 M.

In total the additional funding sources approved by Council, amounted to \$12 M. As part of the report dated June 8th, 2005, prepared by the Infrastructure and Emergencies Services department together with Finance staff, the following options were discussed regarding financing the \$4 M shortfall:

- 1) Implementation of a fee by-law (under Section 391 of the municipal act)
- 2) Mini-Development Charges study
- 3) Increasing Water/Waste Water Rates
- 4) External Borrowing

Council specifically instructed staff to not consider increasing water/wastewater rates to help fund this project. Therefore the external borrowing option was also eliminated, since this would increase waste water rates.

You will note that funding the \$4 M shortfall from the tax levy was not considered a feasible option for two reasons. Firstly, the City's policy since 2001 has been to fund all waste water expenditures from the Water and Waste Water users and not the general tax payer. Secondly, it is our understanding that legislation, which is waiting proclamation from the Province, would restrict funding water or waste water expenditures from the general tax levy.

On January 18th, 2006, a report was presented to the Priorities Committee which provided options for financing the \$4 M through Section 391 fees to new residential development, and such fees could be charged at the building permit stage. That evening, the matter was referred back to staff in order to receive input from the Development Liaison Advisory Committee (DLAC). On March 8th, 2006 the matter was again referred back to staff to include Institutional, Commercial and Industrial (ICI) sectors in the payment calculations and report back to the Priorities Committee.

The purpose of this report is to provide Council with the additional options to include the ICI sectors in the Section 391 fees in order to recover a portion of the costs associated with the Rock Tunnel which have allowed new development to occur.

Hemson Report dated June 2006

The attached report prepared by Hemson Consulting Ltd outlines the basis of the calculations and explains how the fees are determined.

In summary, the report utilizes flow rates projected by property type within the catchment area and projections for future land uses, to determine the portion of the Rock Tunnel costs which are eligible to be recovered under Section 391. As explained on page 9 and 10 of the attached report, approximately 32% or \$7.229 M of the South End Rock Tunnel project costs are projected to be costs attributable to "future development" and thus can be recovered through Section 391 fees.

		Wastewater Share of Cost (in \$ millions)
Existing Development	68.1%	\$ 15.446 M
Future Development	31.9%	\$ 7.229 M
	100 %	\$ 22.675 M
add: Provincial Grant		\$ 8.400M
TOTAL		\$ 31.075M

The report then explains, how the \$7.229 M of future development costs can be allocated to the various sectors, based on projected flows:

Future Development	Flow Litres (000's/per day)	Share of Total (%)	Share of Cost
Residential	2,982.9	66.0	\$4,771,000
Commercial/Industrial	1,036.9	22.9	1,659,000
Hospitals	330.8	7.3	529,000
University	78.8	1.7	126,000
Student Residences	90.2	2.0	144,000
TOTAL	4,519.6	100.0	\$7,229,000

OPTIONS FOR COUNCIL'S CONSIDERATION

To assist in the decision making, the following is a summary of the key items that need to be decided upon by Council:

- What sectors should be included in Section 391 fee? Residential, Commercial/Industrial, Institutional (ie/ Hospitals, Schools, University, Student Residences)
- Amount to be recovered? While the financing shortfall is only \$4 M, the attached report illustrates that the costs attributable to Future development is \$7.229 M. Depending on the option selected by Council, the Water and Wastewater users would be funding 68% or \$15.5 M under Option 1 and 82% or \$18.7 M under Option 2 and 3.
- Amortization period used to calculate fee? 20 years (representing the normal long-term debenture repayment term) or 40 years (representing the expected period to develop the lands). Staff recommends 40 years is a reasonable and appropriate amortization term since it spreads the recovery of costs over a longer period, which is estimated to be representative of the expected development period. Therefore the options below, only reflect fees amortized over 40 years. However, the attached Hemson report, also includes the option for the fees to be amortized over 20 years should Council prefer to recover the amount over a shorter time period.

Note, like the Section 391 fees adopted by Council in March 2006 for the LEL watermain project, the fees would be:

- In addition to the existing development charges which are just over \$2,600 for a single family dwelling, and just under \$1600 for multi-family dwellings; (Note - effective September 1, 2006 the rates will increase per the CPS to \$2,725 and \$1,645 respectively)
- Subject to a public hearing
- Charged at the building permit stage
- Funding short-fall would be borrowed from the Capital Financing Reserve Fund - Wastewater and repaid, including accumulated interest as the fees are collected

Four options have been prepared for Council's consideration.

OPTIONS FOR COUNCIL'S CONSIDERATION (continued)

Option 1 - \$7.229 M from Residential and ICI Sector

	Recovery Target	Type	Fees	Share of Cost
Recover 100% of the costs attributable to future development from all sectors - residential, commercial, industrial, and institutional and thus reduce future contributions from Capital envelopes by \$3.229 M (From \$6.3 M to \$3 M to be funded in the years 2006/2007/2008) Pg 15 of the Hemson Report dated June 2006	\$ 7.229 M over a 40 year period	Residential		
		Singles, Semis & TH's	\$4,621 per unit	\$4,771,000
		Apts / Multis	\$2,772 per unit	
		Commercial/Industrial	\$16.96 per sq. m	\$1,659,000
		Hospitals	\$6,106 per bed	\$ 529,000
		Schools	\$475 per student	
		University	\$475 per student	\$ 126,000
		Student Residences	\$4,681 per unit	\$ 144,000

Option 2 - \$4 M from Residential and ICI Sector

	Recovery Target	Type	Fees	Share of Cost
Recover \$4 M prorated by the costs attributable to future development from all sectors - residential, commercial, industrial, and institutional Pg 16 of the Hemson Report dated June 2006	\$ 4 M over a 40 year period	Residential		
		Singles, Semis & TH's	\$2,557 per unit	\$2,640,000
		Apts / Multis	\$1,534 per unit	
		Commercial/Industrial	\$9.39 per sq. m.	\$ 917,680
		Hospitals	\$3,379 per bed	\$ 292,730
		Schools	\$263 per student	
		University	\$263 per student	\$ 69,700
		Student Residences	\$2,590 per unit	\$ 79,830

Option 3 - \$4 M from Residential and Commercial / Industrial

	Recovery Target	Type	Fees	Share of Cost
Recover \$4 M prorated by the costs attributable to future development from only the residential, commercial and industrial sectors Pg 16 of the Hemson Report dated June 2006	\$ 4 M over a 40 year period	Residential Singles, Semis & TH's	\$2,875 per unit	\$2,968,000
		Apts / Multis	\$1,725 per unit	
		Commercial / Industrial	\$ 10.55 per sq. m.	\$1,032,000

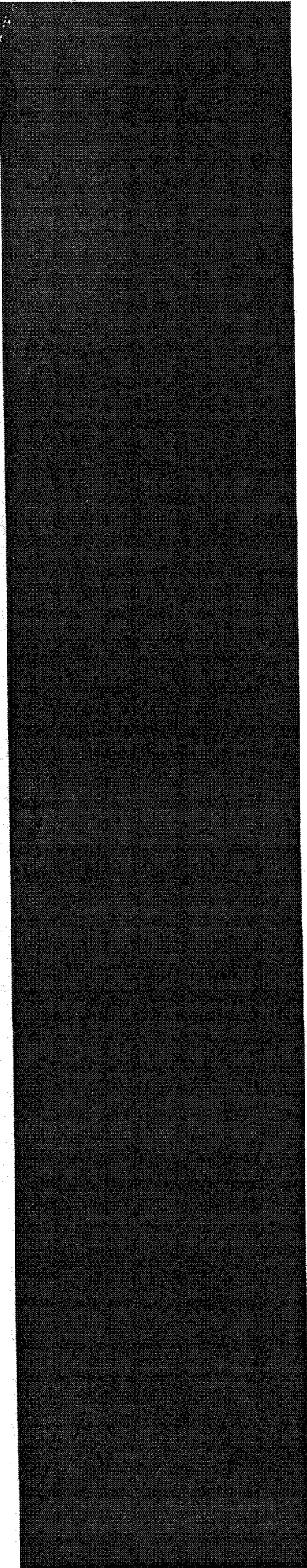
Option 4 - (a) \$4 M (b) \$3 M (c) \$2 M from Residential Class

	Recovery Target	Type	Fees
a) Recover \$ 4 M from residential only	\$ 4 M over a 40 year period	Residential Singles, Semis & TH's Apts / Multis	\$3,760 per unit \$2,260 per unit
b) Recover \$ 3 M from residential only; \$1 M contribution from Capital Financing Reserve fund - Wastewater	\$ 3 M over a 40 year period	Residential Singles, Semis & TH's Apts / Multis	\$2,820 per unit \$1,700 per unit
c) Recover \$ 2 M from residential only; \$2 M from contribution from - Capital Financing Reserve fund - Wastewater As per attached Staff/Hemson report dated January 2006	\$ 2 M over a 40 year period	Residential Singles, Semis & TH's Apts / Multis	\$1,880 per unit \$1,130 per unit

SUMMARY

We are looking for direction from Council as to the preferred method to recover a portion of the South end Rock Tunnel costs. Whichever option is selected, the funding will be borrowed from the Capital Financing Reserve Fund - Wastewater, which has a balance of \$6.35 M at December 31, 2005.

While this Reserve Fund is available, the Water and Wastewater Capital financing gap forecasted for 2006 to 2015 was almost \$43 M. Council has implemented the Sustainable Capital Asset Management Plan (SCAMP), but this strategy alone is not sufficient to cover the gap.



**PROPOSED SOUTH END ROCK TUNNEL
SECTION 391 CHARGE BY-LAW
FOR RESIDENTIAL AND
NON-RESIDENTIAL LAND USES**

City of Greater Sudbury

HEMSON Consulting Ltd

June 2006

TABLE OF CONTENTS

	<u>Page</u>
I	BACKGROUND 1
II	A CHARGE UNDER PROVISIONS OF S.391 OF THE MUNICIPAL ACT IS BEING PROPOSED 3
III	FLOWS BY LAND USE IS MOST APPROPRIATE BASIS FOR APPORTIONING TUNNEL COST.. 5
	A. ESTIMATED FLOWS BEST REFLECT USAGE OF THE FACILITY 5
	B. FLOW PROJECTIONS BY PROPERTY TYPE BASED ON EXISTING AND FUTURE LAND USES 6
	C. APPORTIONMENT OF TUNNEL COST BETWEEN EXISTING AND FUTURE DEVELOPMENT 10
	D. APPORTIONMENT OF COST SHARE BETWEEN FUTURE LAND USES 10
IV	CHARGE COULD BE CALCULATED IN VARIOUS WAYS 11
	A. TWO CHARGE TERM OPTIONS ARE LOGICAL 11
	B. RESIDENTIAL GROWTH RATE SHOULD BE USED AS THE BASIS FOR THE PROJECTED DEVELOPMENT TERM 12
	C. A 40 YEAR DEVELOPMENT TIME FRAME IS REASONABLE 12
V	PROJECTED CHARGES BY OPTION, LAND USE AND RECOVERY TARGET 14
	A. INDICATED CHARGE RATE 14
	B. CHARGE AMOUNTS BASED ON A \$4.0 MILLION RECOVERY TARGET FROM ALL LAND USES 16
	C. CHARGE AMOUNTS FOR RESIDENTIAL AND COMMERCIAL/INDUSTRIAL DEVELOPMENT BASED ON A \$4.0 MILLION RECOVERY TARGET 17
	D. RESIDENTIAL CHARGE AMOUNTS FOR ALTERNATIVE COST RECOVERY TARGETS 18
VI	ADMINISTRATIVE ISSUES 20
	A. MAP 20
	B. COLLECTION 20
	C. DEMOLITION 20
	D. SERVICE-IN-LIEU AGREEMENTS 20
	E. RESERVE FUND REPAYMENTS 21
	F. ANNUAL BY-LAW RENEWALS 21

I BACKGROUND

In June 2005, the City of Greater Sudbury approved the construction of the South End Rock Tunnel which will provide much needed additional waste water collection capacity. The tunnel will enable development to proceed on a substantial number of residential lots as well as opening up other sites for non-residential development. The total cost of the project will be just under \$31.1 million. It is expected to take three years to complete. Project funding is being obtained from three main sources. The City will provide \$18.7 million and the Province has committed \$8.4 million. The balance of \$4.0 million will be funded from borrowing probably from internal sources.

The project was originally approved in November 2001 subject to securing funding. At that time it was estimated that the tunnel would cost \$22.7 million, \$8.4 million less than the current cost. Because of the increased cost of the tunnel, Council directed staff to examine ways of recovering the \$4.0 million to be funded through borrowing from new development.

Hemson report *Proposed South End Rock Tunnel Section 391 Charge By-Law* dated November 2005 identified how a charge could be established under S. 391 of the Municipal Act to recover the \$4.0 million amount noted above. It also described two approaches for calculating the charge and how much they would be if applied to future residential development. At the meeting of the Priorities Committee on January 18, 2006 staff were requested to undertake a further review of the issue. In particular they were requested to examine the implication of including commercial properties in the calculation of a charge. This report contains key information that was in the November 2005 report and augments it with additional information and analysis regarding charge calculation taking into account:

- attribution of the cost to the City of the between all land uses;
- the charges by type of property that would be required to recover the portion of the costs attributable to all future development.

There are six sections in this report. In the following section the applicability of S. 391 of the Municipal Act is discussed. In the third section the attribution of the net costs of the Rock Tunnel between existing and future development of all types is discussed.

This is followed by a section describing alternative approaches to calculating charges. In section V projected charges are described including charge options related to the previous work described in the November 2005 report. The final section describes administrative matter relating to the application of charges.

II A CHARGE UNDER PROVISIONS OF S.391 OF THE MUNICIPAL ACT IS BEING PROPOSED

A charge established according to the provisions of S.391 of the Municipal Act is a practical and appropriate approach given the nature of the project. S.391 is within Part XII of the Act which governs Fees and Charges. Additionally, S.391 is subject to regulations contained in Ontario Regulation 244/02.

Section 391(1) provides municipalities with the power to impose fees and charges. In addition, Section 391(2) specifically allows a municipality to impose a charge for capital costs related to sewage or water services on persons who do not receive immediate benefit but will receive benefit at some point in time.

Part XII of the Municipal Act which covers Fees and Charges together with OR 244/02 set out conditions under which fees and charges may be applied. The key conditions are as follows:

1. Part XII: Fees & Charges

Section 392 requires the municipality to maintain a list of the services for which fees and charges are applicable, the properties to which they apply and the amount of the fee or charge. Section 396 provides authority and direction to the municipality regarding items such as interest charges and penalties, discounts and exemption.

2. Ontario Regulation 244/02

Section 2 of the Regulation prohibits municipalities from imposing fees or charges for capital costs already being recovered through a Development Charge. This is not an issue for the City as none of the costs of the Rock Tunnel project are included in the current D.C. By-law.

In order to pass a by-law it will be necessary to hold a public meeting. S. 14(1) requires that notice be given of a municipality's intention to pass a general charges

by-law to every person or organisation within the last five years that has requested to be kept informed. S. 12 of the Regulations relates specifically to the “use of... a sewage system...” This is a section under which water and sewer rates are required to be set on an annual basis. Assuming that the term “use” is intended to encompass payments for the initial capital costs, any proposed S. 391 by-law would need to be renewed annually in conjunction with the annual rating by-law. The particular requirements of S.12(6) of the Regulation are as follows:

- a. hold a public meeting;
- b. give 21 days notice;
- c. ensure that notice specifies the intention to pass the by-law and addresses the availability of required information;
- d. the information that must be provided is a description of the service, the cost, the amount of the charge and the rationale.

Assuming that once set the charge will not change from year to year, adhering to these requirements of the regulation would be a formality.

The power provided to municipalities under Section 391 of the Municipal Act is well suited to the recovery of the residual costs of the Rock Tunnel that are not being funded from other sources. The associated provisions contained elsewhere in Part XII of the Municipal Act and in OR 244/02 are not overly prescriptive. Accordingly, the City can develop and implement a by-law designed to recover costs from new development reasonably quickly. Also to be noted is that neither Part XII of the Act nor Regulation 244/02 provide for an appeal of any associated by-law to the OMB.

In the next sections of the report, the apportionment of the cost of the Rock Tunnel between existing and future development of all types is discussed.

III FLOWS BY LAND USE IS MOST APPROPRIATE BASIS FOR APPORTIONING TUNNEL COST

This section discusses how to apportion the costs of the Rock Tunnel between the various types of land uses within the catchment area. The overall cost of the tunnel is understood to be \$31,075,000 net of GST rebate of which \$8.4 million is being paid by the Province. Accordingly, the net cost to the City will be \$22,675,000. It is apportionment between land uses of this amount that is discussed in this section.

A. ESTIMATED FLOWS BEST REFLECT USAGE OF THE FACILITY

The first issue concerning the apportionment of costs is the unit of measure that should be used. Since usage of the tunnel will vary by type of property, a unit of measure that is able to account for these variances should be adopted. Based on discussion with City staff it was concluded that average daily flows of waste water (expressed in terms of litres) would be the most appropriate common measure to use. The City staff provided tables which contained information concerning waste water flows for most of the land uses that are contained within the catchment area. For the purpose of the analysis the following rates were selected:

Estimated Daily Flows	
Residential	410 litres per capita
Shopping Centres	3,750 litres per 1000 sq. m.
Hospital	1,350 litres per bed
Schools	105 litres per student

Flow rates data are not available for all land uses within the catchment area. In view of this, for uses for which rates are not available rates for the nearest equivalent use were adopted. In the case of commercial/industrial development the shopping centre flow rate was used. For university uses the school rate was used while for university residents the residential rate was adopted.

Although flow rates for more specific types of properties could vary from the broad estimated daily averages identified above, alternative approaches for allocating costs, such as land area or building area are considered less reasonable since they bear a less direct relationship to the purpose and usage of this facility.

B. FLOW PROJECTIONS BY PROPERTY TYPE BASED ON EXISTING AND FUTURE LAND USES

To calculate the flows by property type within the catchment area, data on existing and future land uses were obtained from the City's Growth and Development Department.

1. Existing Development

The following table shows the data regarding existing land uses within the Rock Tunnel catchment area.

Land Use	Land Area (ha)	Occupancy
Residential	658.3 ⁽¹⁾	16,111 persons
Commercial/Industrial	135.2	338,000 sq. m ⁽²⁾
Hospitals	n/a	233 beds
Schools	n/a	2,332 students
University	n/a	7,496 students
Student Residences ⁽³⁾	n/a	1101 students

Notes: (1) City estimate based on 66.6% of total Living Area 1 of 987.4 ha
 (2) Assuming average development density of 25% of site area
 (3) Including residences under construction

Based on these amounts the following estimate of litres of daily flow by existing land use were calculated.

Use	Quantities	Litres of Flow per Quantity	Total Flow L/day
Residential	16,111 persons	410	6,605,510
Commercial/Industrial	338,000 sq.m	3.75	1,267,500
Hospitals	233 beds	1,350	301,050
Schools	2,332 students	105	244,860
University	7,496 students	105	787,080
Residences ⁽¹⁾	1101 students	410	451,410
		Total	9,657,410

Notes: (1) Including residences under construction

2. Future Development

The second component of this projection is the estimate of daily flows from future development. This estimate represents the projected the amount of development that would exist once currently vacant land is built on with planned uses. The bulk of the vacant land area is for residential uses. The other significant use will be commercial and industrial uses. Some institutional development is also expected although the amounts and timing are uncertain.

a) Residential

Planning Services has calculated the residential development potential within the Rock Tunnel catchment area. The potential is divided between three categories of land and between single lots and high density unit potential.

NEW RESIDENTIAL DEVELOPMENT POTENTIAL	
Draft Approved Subdivisions	1,092 lots
Proposed Developments	759 lots 1,035 units
Vacant Designated Land	1,057 units
Total	3,943 lots/units

The estimated yield from the "Vacant Designated" land is based on the maximum density allowed under the Official Plan of 36 units per hectare. In practice, it is very unlikely that all the land would be developed at this density. More realistically, the land could be expected to achieve in the order of 18-20 units per hectare. On this basis, the realistic potential for the area is approximately 550 units rather than 1,057 units. Thus, overall the catchment area has a realistic future potential of approximately 3,400 units. Of this number, probably 2,200 would be single family lots with the other 1,200 units potentially being apartments and condominiums.

Using this unit projection an estimate of additional population was made based on the population per unit rate for the existing units within the catchment area. This rate is 2.14 p.p.u. The projected population for the new units at build-out is 7,276 persons.

b) Commercial/Industrial

Within the catchment area there are approximately 282.6 hectares of commercial and industrial land. Of this 135.2 hectares (47.8%) are developed, leaving 147.4 hectares for future development. Of this amount planning services estimates approximately 75% or 110.6 hectares is developable. While "density" (building area as a percentage of site area) can vary substantially from site to site depending upon the specific type of development, an overall average of 25% is considered reasonable. Since no actual data is available for the area, this average was used to calculate the estimated amount of existing building space within the catchment area. For higher density uses such as office buildings a density in the range of 50% is usual while for uses such as car dealerships and free standing restaurants much lower densities in the range of 10% are common. For retail developments and light industrial buildings ratios of 25-30% are common.

Based on the 110.6 hectares of developable vacant land and the 25% density assumption, it is projected that 276,500 sq. m. of new space would be achieved at build-out.

c) Institutional

There are three components of the institutional land use category: hospitals, schools and university. For the hospital component a projected 245 of additional beds has been estimated. This estimate is based on information concerning plans for the redevelopment and expansion of the Sudbury Regional Hospital.

Because of the general aging nature of the population no additional school space for Junior Kindergarten to Grade 12 were projected for the catchment area.

For the university allowance for growth of 10% (750 students) in the student population was made. While no specific plans exist for this amount of growth, based for example on the recent establishment of the medical school, it is not unreasonable to anticipate some expansion over the long term. Finally, allowance was made for an additional university residence equivalent to that now under construction. This will reportedly house 220 students.

Based on the projected amounts of future development discussed above, the following estimate of additional flows were calculated.

Land Use	Quantities	Flows per Unit (Litres)	Total Projected Flow (Litres)
Residential	7,276 persons	410 per person	2,982,964
Commercial/Industrial	276,500 sq.m	3.75 sq. m	1,036,875
Hospitals	245 beds	1,350 per bed	330,750
Schools	-	105 per student	-
University	750 students	105 per student	78,750
Student Residence	220 persons	410 per student	90,200
		Total	4,519,539

C. APPORTIONMENT OF TUNNEL COST BETWEEN EXISTING AND FUTURE DEVELOPMENT

Using the estimates of daily flows discussed above, an apportionment of the tunnel cost of \$22.675 million between existing and future development was made as follows.

	Flow (millions L/pd)	Share of Total (%)	Share of Cost (\$ millions)
Existing Development	9.657	68.1	15.446
Future Development	4.520	31.9	7.229
Total	14.177	100.0	22.675

D. APPORTIONMENT OF COST SHARE BETWEEN FUTURE LAND USES

The final apportionment calculation involved dividing the \$ 7.229 million share of cost attributable to future development amongst the various land uses. This also was done on the basis of projected flows. The results are shown below.

Future Development	Flow Litres (000's/per day)	Share of Total (%)	Share of Cost
Residential	2,982.9	66.0	\$4,771,000
Commercial/Industrial	1,036.9	22.9	1,659,000
Hospitals	330.8	7.3	529,000
University	78.8	1.7	126,000
Student Residences	90.2	2.0	144,000
Total	4,519.6	100.0	\$7,229,000

IV CHARGE COULD BE CALCULATED IN VARIOUS WAYS

As noted in the Background section, the proposed charge is designed to recover only a part of the total cost of the Rock Tunnel. Initially, it was proposed that the charge would recover \$4.0 million from future residential development. Subsequently, Council requested staff to review the implications of including other types of properties within a charge. As has been discussed previously in this report under a multiple land use charge, a recovery target of \$7.229 million is appropriate given the attributable share of the net cost of the tunnel. Since the new development that will be made possible because of the tunnel will be built over a long period, the revenue from charges that may be applied would not be available immediately. Therefore, funds to pay for the share of the cost will have to be borrowed either from one of the City's reserve funds or alternatively from external sources. In order to calculate the amount of the charge, it is therefore necessary to decide on what term should the cost recovery charge calculation be based.

A. TWO CHARGE TERM OPTIONS ARE LOGICAL

Two options regarding the term for calculating the charge are logical for consideration. The first option would be to calculate charges based on the term of a long term debenture loan. Although the required funds will likely be drawn from the City's reserve funds, if a debenture loan were to be issued it would probably be for a term not exceeding 20 years. An alternative would be to calculate the charge in line with anticipated numbers of years that it would take to utilize the full development potential within the Rock Tunnel catchment area. Although as is discussed in the next section, it is difficult to estimate the amount and type of development activity that will occur far in the future, based on current trends a 40 year time frame is considered reasonable.

In summary, after reviewing the range of potential options, two are judged sufficiently practical to be considered in more detail.

- 1) Charge calculated on the basis of the term of a long term debenture (20 years);

- 2) Charge calculated on the basis of the period it is likely to take to utilize the development potential within the Rock Tunnel catchment area.

B. RESIDENTIAL GROWTH RATE SHOULD BE USED AS THE BASIS FOR THE PROJECTED DEVELOPMENT TERM

There are two basic types of land use in the catchment area: residential and non-residential. While the residential component is comprised of various housing forms, the market within the catchment areas of the Rock Tunnel is expected to be predominantly single family houses. Based on projections prepared by the City's Planning staff, there is likely to be a steady and relatively predictable demand, at least for the period to 2021.

Unlike the residential market, there is very little basis upon which to develop a projection of future non-residential growth that is sufficiently reliable enough to base a charge on. A second constraining factor is the diversity of non-residential uses. While residential development takes only a limited number of forms, there are many commercial, industrial and institutional uses and which have widely varying characteristics. Review of the future non-residential development potential within the catchment indicates that the timing of growth is likely unpredictable. While commercial/industrial development is more likely to occur on a parcel by parcel basis over a long period, there is no clear basis on which to predict when institutional projects are likely to occur. For this reason, rather than developing a separate growth forecast for the non-residential components, it is more practical to adopt a common time frame assumptions for both residential and non-residential land uses.

C. A 40 YEAR DEVELOPMENT TIME FRAME IS REASONABLE

In 2004, as background to the Official Plan review, the City commissioned a synthesis report on Land Use and Settlement. In the report it was estimated that demand for new units in Greater Sudbury between 2001 and 2021 would, depending upon growth assumptions, vary from a low of 750 units to a high of 12,256 units. The mid range "Natural Increase" scenario estimated demand of 4,837 units. This is equivalent to 242 units per year on average. In the period 2001 to 2005 (actual) demand, as evidenced by building permits, has risen from a low of just over 200 units in 2001 to

over 400 units in 2005. On average during this period, demand has been around 330 units per year of which single family units are the overwhelming majority.

During the same period, the south end of Greater Sudbury has accounted for approximately 25% of the total number of residential permits issued. Taking account of the overall outlook for demand and the share of demand that is likely to be achieved in the Rock Tunnel catchment area, it is considered reasonable to anticipate an ongoing rate of new residential development of approximately 75 units per year.¹

Given the estimated supply of 3,400 lots and units, at this rate it would take approximately 45 years to develop to full potential. During this period, since the overwhelming bulk of demand is for single family units, the estimated supply of single family lots (2,200) would be developed within about 29 years. Beyond then, the remaining lands which only have capacity for 1,200+/- apartment and condominium units would either get consumed at a more rapid rate than 75 units per year or would in part be rezoned for single family housing. Under either circumstance, the full development potential of the catchment area would likely be consumed within about 40 years rather than the more theoretical 45 years discussed above. It is therefore considered appropriate to use a 40 year term in the calculation of potential charge rates.

¹ 25% of the projected annual average of 242 units equals to 61 units. 25% of the recent 330 unit annual average is 82.5 units.

V PROJECTED CHARGES BY OPTION, LAND USE AND RECOVERY TARGET

As discussed in the previous section, two options are considered logical for calculating the charges required to recover the \$7.229 million share of the Rock Tunnel cost. The first would be over 20 years being the longest term for which a long term debenture would normally be issued. The second option would be to recover the cost share based on the projected period it would take to develop the residential land use potential contained within the catchment area. This would be approximately 40 years. Over this same period it could be assumed that the non-residential potential with the area would also be developed although the pace would likely be much more irregular than for the residential uses.

For the purposes of determining interest component of the charges under the two options, an interest rate of 6.5% was used. This rate, while at the upper end of the range at which municipalities can currently borrow, is considered realistic given the long term assumption underlying the calculation.

A. INDICATED CHARGE RATE

Given the proposed total \$7.229 million cost recovery target and the shares by future land use discussed in the previous section, per unit charge rates were calculated under the two options. The calculation was undertaken in two steps.

1. Total Cost Recovery Payments per Daily Litre of Flow

The total payment to recover the \$7.229 million over the 20 year and 40 year periods of the two options expressed in terms of cost per daily litre of flow were calculated. The cost per daily litre under the two options are:

Option 1 - 20 years	\$5.81 per daily litre
Option 2 - 40 years	\$4.52 per daily litre

2. Total Cost Recovery Charge by Type of Development

The second step was to apply the above rates to the projected litres of daily flow for each type of development for which a charge would be applied.

For residential uses two rates were calculated one for single and semi-detached units and one for the apartments and multiple dwelling units. These rates were differentiated on the basis of persons per unit. This is the approach taken for residential units in the City's Development Charges policy.

Based on the calculation approach described above the rates by use and by recovery option are shown below.

Type	Option 1 - 20 Year Recovery Period Charge	Option 2 - 40 Year Recovery Period Charge
Residential		
Singles, Semis & TH's	\$5,932 per unit	\$4,621 per unit
Apts/Multis	\$3,559 per unit	\$2,772 per unit
Comm/Ind	\$21.77 per sq. m.	\$16.96 per sq. m.
Hospitals	\$7,839 per bed	\$6,106 per bed
Schools	\$610 per student	\$475 per student
University	\$610 per student	\$475 per student
Student Residences	\$6,010 per unit	\$4,681 per unit

It is important to note that should the 20 year cost recovery term option be selected and assuming development occurs at a reasonably even pace, the recovery target of \$7.229 million (plus interest cost) would be achieved well before all the future potential development in the catchment area is built. Since under a Section 391 charge by-law recoveries cannot exceed the cost incurred, charge could no longer be applied once the target has been achieved.

B. CHARGE AMOUNTS BASED ON A \$4.0 MILLION RECOVERY TARGET FROM ALL LAND USES

In response to the Committee's request to staff, calculations have also been made of the charges that would be required to recover \$4.0 million from the future development in the Rock Tunnel catchment area. The 20 and 40 year recovery term options discussed above were utilized. The \$4.0 million cost was apportioned among the uses using the waste water flow projection approach discussed previously. On this basis, the respective share of cost was calculated to be:

Type	% Share	Cost Allocation
Residential	66.0	2,640,060
Commercial & Industrial	29.9	917,680
Hospitals	7.3	292,730
Schools	0.0	-
University	1.8	69,700
Student Residence	2.0	79,830
Total	100.0	4,000,000

Using the 20 and 40 year recovery options charge rates were calculated. The rates are as follows:

Type	Option 1 - 20 Year Recovery Period Charge	Option 2 - 40 Year Recovery Period Charge
Residential		
Singles, Semis & TH's	\$3,282 per unit	\$2,557 per unit
Apts/Multis	\$1,969 per unit	\$1,534 per unit
Comm/Ind	\$12.05 per sq. m.	\$9.39 per sq. m.
Hospitals	\$4,337 per bed	\$3,379 per bed
Schools	\$337 per student	\$263 per student
University	\$337 per student	\$263 per student
Student Residences	\$3,325 per unit	\$2,590 per unit

As was discussed in regard to the charge options for the \$7.229 million recovery target, if the Option 1 - 20 year recovery period charges were to be adopted the \$4.0 million target (plus interest) would likely be recovered in approximately 20 years assuming steady development activity. At that point no further charges to development would be permitted.

C. CHARGE AMOUNTS FOR RESIDENTIAL AND COMMERCIAL/INDUSTRIAL DEVELOPMENT BASED ON A \$4.0 MILLION RECOVERY TARGET

For further information, calculations have also been made of the charges that would be required to recover \$4.0 million to include ICI and residential from the future residential and commercial/industrial development in the Rock Tunnel catchment area. The 20 and 40 year recovery term options discussed above were utilized. The \$4.0 million cost was apportioned between residential and commercial/industrial uses using the waste water flow projection approach discussed previously. On this basis, the respective share of cost was calculated to be:

	Share of \$4.0 Million	%
Residential Uses	\$2,968,000	74.2
Commercial/Industrial	\$1,032,000	25.8

Using the 20 and 40 year recovery options charge rates were calculated. The rates are as follows:

Type	Option 1 - 20 Year Recovery Period Charge	Option 2 - 40 Year Recovery Period Charge
Residential		
Singles, Semis & TH's	\$3,690 per unit	\$2,875 per unit
Apts/Multis	\$2,214 per unit	\$1,725 per unit
Commercial/Industrial	\$13.55 per sq. m.	\$10.55 per sq. m.

As was discussed in regard to the charge options for the \$7.229 million recovery target, if the Option 1 - 20 year recovery period charges were to be adopted the \$4.0 million target (plus interest) would likely be recovered in approximately 20 years assuming

steady development activity. At that point no further charges to development would be permitted.

D. RESIDENTIAL CHARGE AMOUNTS FOR ALTERNATIVE COST RECOVERY TARGETS

As noted at the beginning of this report a previous analysis was undertaken addressing the level of charges that would be required in order to recover \$4.0 million from future residential growth in catchment area alone. The results of this analysis were presented in the report *Proposed South End Rock Tunnel Section 391 Charge By-Law* dated November 2005. The same 20 year and 40 year recovery term options discussed in this report were applied to determine the required charges to recover the \$4.0 million amount. For reference purposes the projected charges that resulted from the calculations described in the report are shown below.

Cost Recovery Target - \$4.0 Million		
	Option 1 - 20 Year Term	Option 2 - 40 Year Term
Singles, Semi-Detached & Townhouses	\$4,800 per unit	\$3,760 per unit
Apartments & Multiple Dwellings	\$2,800 per unit	\$2,260 per unit

Finally, in order to provide Council with an understanding of the sensitivity of the projected charge amounts, additional information was shown in the previous report concerning charges based on alternative cost recovery targets of \$2.0 million and \$3.0 million. Using the same approach as for the \$4.0 million amount the resulting charges for charges were as follows:

Projected Charge Per Unit Type				
Unit Type	\$2.0 Million Target		\$3.0 Million Target	
	Singles, Semi Det. & TH's	Apartments / Multiple Dwellings	Singles, Semi Det. & TH's	Apartments / Multiple Dwellings
Option 1 - 20 Years	\$2,400	\$1,440	\$3,600	\$2,160
Option 2 - 40 Years	\$1,880	\$1,130	\$2,820	\$1,700

For more detailed information regarding the calculation of the charges relating to the \$4.0 million recovery amount from future residential development reference should be made to November 2005 report.

VI ADMINISTRATIVE ISSUES

There are a number of administrative considerations that should be taken account of within an implementation of S.391 Charges By-law.

A. MAP

As part of the implementing by-law, it will be necessary to provide a map clearly delineating the catchment area for the Rock Tunnel within which new residential development will be subject to the charge.

B. COLLECTION

It is suggested that the charge be collected at the building permit stage as is the case with Development Charges.

C. DEMOLITION

Where new residential units or non-residential space are constructed on sites where existing units or space are being demolished to make way for development, charges should only apply to the net additional units or space.

D. SERVICE-IN-LIEU AGREEMENTS

Council could consider the use of "Service-in-Lieu" agreements under which developers would be permitted to undertake work that the City would otherwise be paying for in exchange for credits against the Rock Tunnel charge.

E. RESERVE FUND REPAYMENTS

The City should credit all charge payments to the reserve fund(s) from which the amounts to be recovered have been drawn. Separate accounts should be maintained for each land use type for which a charge is made. Records should be maintained of the outstanding balance applicable for each land use type taking into account allowance for accumulated interest calculated using the appropriate periodic rates. Once the amount to be recovered for a particular land use together with accumulated interest has been paid through the collection of charges from developments, charges should no longer be applied against involving that land use. Once the recovery target amounts and accumulated interest have been paid for all land uses, Council should rescind the by-law.

F. ANNUAL BY-LAW RENEWALS

Assuming that the proposed charges are subject to the provisions of S.12 of OR 244/02, the enabling by-law will need to be renewed annually and dealt with through a public hearing. This requirement would logically be addressed as part of the annual water and sewer rate by-law process.

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	January 18, 2006			Report Date	January 11, 2006				
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

Fees By-laws for South End Rock Tunnel

Policy Implication & Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

Background Attached

Recommendation

That Council approve financing the final \$4 million of the Rock Tunnel project from the Capital Financing Reserve Fund - Wastewater; and

That Council approve a fee to recover the portion of the costs of the project financed through the Capital Financing Reserve Fund - Wastewater in the amount of \$3,760 per single family dwelling and \$2,260 for multi-family dwellings, as outlined in Option B, for new homes to be constructed on the benefitting lands, subject to a public hearing to be held on March 8th, 2006; and

That such fees would be collected at the building permit stage; and

That the fees would be credited back to the Capital Financing Reserve Fund - Wastewater;

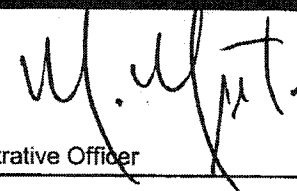
All in accordance with the details outlined in the following report and the attached report from Hemson Consulting Ltd.

Recommendation Continued

Recommended by the Department


L. Hayes
Chief Financial Officer/Treasurer

Recommended by the C.A.O.


Mark Mioto
Chief Administrative Officer

Date: January 11, 2006

Report Prepared By

Division Review



Cheryl Mahaffy
Manager of Financial Planning & Policy

Name
Title

BACKGROUND

At its meeting of June 16th, 2005 Council directed staff to come back with financing options for the final \$4 million required for the Rock Tunnel project, and also directed that a report be prepared by Hemson Consulting Ltd regarding a proposed fees by-law, which would be designed to recover only a small portion of the total cost of the Rock Tunnel project.

Council was advised in the June report that the estimated total cost of the project was \$31,075,000 and that funding was in place as follows:

\$14,248,300	previously approved through Capital Budgets
965,000	previously approved through Capital Budgets for Marcel/Bouchard and Oriole Lifts
8,400,000	commitment from the Province
340,000	culvert work to be funded from the Roads Capital Envelope - 2006
106,700	from the Sewer and Water Payments Reserve Fund
1,000,000	from the 2006 Wastewater Capital Envelope
1,000,000	from the 2007 Wastewater Capital Envelope
<u>1,015,000</u>	from the 2008 Wastewater Capital Envelope
\$27,075,000	

Options were to be developed to raise the \$4 million still outstanding, with the stipulation that funding was not to be achieved through an increase to the Wastewater Rates.

Under the (former Region) policy regarding water and wastewater extensions, benefitting property owners are expected to pay for 50% of the net costs of any extension. Normally, such extensions are built to service existing homes that have no service. The Rock Tunnel project is somewhat different in that about two-thirds of the project will service existing development that presently does have a wastewater service while about one-third will allow future development to take place.

The net budgeted cost of the project, after grants is close to \$23 million. Consequently, the net cost for the area which can now be developed is about \$8 million. Applying the 50% recovery policy would mean that future development should be contributing \$4 million to this project. Since the new development that will be made possible because of the tunnel will occur over a long period, the funds will have to be borrowed either internally (from reserve funds) or externally (debenturing).

The recommendation, in part is to complete the financing of the project by borrowing the \$4 million from the Capital Financing Reserve Fund - Wastewater. At present, the uncommitted balance in this fund is about \$5.3 million. New residential development, which the tunnel will now allow to proceed should pay an additional charge, which would repay the Wastewater Reserve Fund, over time.

Date: January 11, 2006

The Hemson report outlines the section of the Municipal Act which permits fees to be charged for this type of project, and indicates the requirements before a by-law can be passed.

The report goes on to indicate that no charge has been developed for non-residential development, in keeping with the decisions of past Councils to exempt the Industrial - Commercial - Institutional sector from paying Development Charges.

In total, the residential development potential in the area to be serviced by the rock tunnel is in excess of 3,900 units if the average is 36 units per hectare. A more realistic estimate would be more like 18 to 20 units per hectare or a potential of 3,400 units of which about two-thirds would be single family and the remainder apartments and condominiums. The estimate is that about 75 new residential units per year will be developed in the area serviced by the rock tunnel. It would therefore take up to 40 years for the potential development to be fully realized.

Using a rate of 6.5%, and calculating the \$4 million to be amortized over 20 years (being the normal long term debenture repayment term) would result in a charge of \$4,800 per unit for a single family residence and \$2,880 per unit for multiple dwellings. Extending the amortization to 40 years (being the expected period to develop the lands) would result in charges of \$3,760 and \$2,260 respectively. These charges would be in addition to Development Charges which presently are just over \$2,600 for a single family home and just under \$1,600 for a multi-family unit on a fully serviced lot.

Options for Council's Consideration

Option A - Recover the \$4 million amortized over 20 years through a fees by-law. *Under this option, the charge for a single family residential dwelling would be \$4,800 and a multi-family dwelling would be \$2,880.*

Option B - Recover the \$4 million amortized over 40 years through a fees by-law. *Under this option, the charge for a single family residential dwelling would be \$3,760 and a multi-family dwelling would be \$2,260.*

Option C - Fund 25% of the \$4 million from the Capital Financing Reserve Fund - Wastewater directly, and recover only \$3 million. The Hemson report also shows what the charges would be to recover the \$3 million over 20 years and 40 years. *Under this scenario, the charges for a single family dwelling over 20 years would be \$3,600 and \$2,160 for a multi-family dwelling. Over 40 years, the charges would be \$2,820 and \$1,700 respectively.*

Option D - Fund half of the \$4 million from the Capital Financing Reserve Fund - Wastewater directly, and recover only \$2 million. For illustrative purposes, the Hemson report shows what the charges would be to recover only \$2 million over 20 years and 40 years. *Under this scenario, the charges over 20 years for a single family dwelling would be \$2,400 and \$1,440 for a multi-family dwelling. Over 40 years, the charges would be \$1,880 and \$1,130 respectively.*

Date: January 11, 2006

RECOMMENDATION

That the final \$4 million to finance the South End Rock Tunnel be borrowed from the Capital Financing Reserve Fund - Wastewater and that Council implement a fees by-law to recover this money from future development on the benefiting lands, as outlined in Option B.

Whichever option is selected, staff will have to track the monies collected plus accumulated interest. Once the full \$4 million plus accumulated interest has been collected, the fees by-law can be rescinded.

The Growth and Development Department will meet with the Development Liaison Advisory Committee in February to explain the report and recommendation. This is well in advance of the public hearing in March.

The report from Hemson Consulting Ltd is attached.

Request for Decision City Council



Type of Decision									
Meeting Date	August 9, 2006				Report Date	August 4, 2006			
Decision Requested		Yes	X	No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
Section 391 Fees - South End Rock Tunnel

Budget Impact / Policy Implication		Recommendation	
X	This report has been reviewed by the Finance Division and the funding source has been identified.	For Information Only	
X	Background Attached		Recommendation Continued

Recommended by the Department

Lorella Hayes
Lorella Hayes
Chief Financial Officer

Recommended by the C.A.O.

Mark Mioto
Mark Mioto
Chief Administrative Officer

Date: August 4, 2006

Report Prepared By	Division Review
Lorella Hayes Chief Financial Officer	

Background

The report dated June 16, 2006 from the CFO/Treasurer and the report dated June 2006 from Hemson Consulting detail the options for implementing a Section 391 fee to recover a portion of the infrastructure costs that will enable future development to occur, and thus financing the Rock Tunnel funding shortfall.

At the Priorities Meeting of June 21, 2006, the Committee approved Option 1, which is to recover \$7.229 M from the Residential, Commercial and Institutional Classes over a 40 year period, subject to a public hearing and the passing of a by-law.

Since that meeting, and in preparation of a by-law, staff have been addressing certain issues concerning the application of the proposed Section 391 charges to the institutional properties.

See the attached letter from Hemson Consulting dated August 3, 2006.

The following is a summary of these issues.

Institutional Classes

Project Timing

As you are aware, in all options proposed in the staff and Hemson's report, Section 391 fees have been calculated based on the recovery of the cost shares by land use using a 40 year recovery term, which is the projected time period to develop the area. As a result, the \$7.229 M (or \$4 M - Option 2, 3, 4) is the fixed capital component to be recovered plus interest at a rate of 6.5% per annum. The fees proposed in all four options in the report dated June 16th, 2006 are inclusive of both the interest and the fixed capital component (ie: principal).

If the development occurs at a more rapid rate, the early projects would in effect pay for the share of the costs attributable to projects that occur later on. This is the case in the institutional buildings.

Date: August 4, 2006

A solution recommended for the institutional class has been outlined in the attached August 3rd letter from Hemson Consulting, where the fee would be based on a fixed capital cost component plus the accrued interest annually. It should be noted that the capital portion to be recovered in both options (as outlined in the attached letter and report) is exactly the same.

Based on discussions with Hemson Consulting and planning staff, the issue of project timing does not represent as much of a concern for the residential or commercial/industrial classes, since the development is expected to be more consistent over the 40 year period.

Charge and Space Equivalence Issues

The second complexity with institutional buildings arises because of variations in the type of space and the need for the by-law to define a clear relationship between space and the related waste water flow measures (ie: per student, or per bed).

Hemson Consulting, has recommended that the per bed and per student charges be expressed in terms of a recovery charge per square meter for the institutional classes, similar to commercial and industrial classes. Should Council decide to apply the charge to the institutional classes, staff would need to obtain the necessary information in order to calculate the per square meter charges for inclusion in the proposed by-law. Again, it should be noted that the capital portion to be recovered in both options (as outlined in the attached letter and report) is exactly the same.

Charge Exemption Practice

In light of the issues that have arisen regarding the application of a Section 391 fee to the institutional classes, we have reviewed a sample of municipalities to identify how institutional uses are treated with respect to development charges. The results indicate that it is quite common for municipalities to exempt schools, places of worship, and hospitals from development charges.

Conclusion

If Council approves Option 1, which includes a partial recovery from the Institutional Classes, staff would be preparing the proposed by-law in accordance with the Hemson letter dated August 3, 2006. In addition, staff would investigate if an additional public hearing would be required.

HEMSON

Consulting Ltd.

30 St. Patrick Street, Suite 1000, Toronto, Ontario, Canada M5T 3A3
Facsimile (416) 595-7144 Telephone (416) 593-5090
e-mail: hemson@hemson.com

August 3, 2006

Ms. Lorella Hayes
Chief Financial Officer
City of Greater Sudbury
200 Brady Street
Sudbury, ON
P3A 5P3

Dear Ms. Hayes:

Re: Proposed Section 391 Charge for Rock Tunnel Cost Recovery

This letter addresses a number of issues that have arisen concerning the application of the proposed Section 391 charges to institutional properties. These issues will need to be resolved in order to prepare the by-law.

A. PROJECT TIMING

As you are aware, in our report of June 2006 charge rates were calculated based on the recovery of cost shares by land use using 20 and 40 year recovery terms. Underlying the calculated charge amounts is the general assumption that the estimated amount of development would occur in reasonably even amounts over the recovery term. Assuming this occurs, the cost shares (including accrued interest) would be recovered by the end of the period. However, if development were to occur at a more rapid rate, the total permitted recovery amount would be reduced since the full amount of interest that has been built into the charge calculation would not have been incurred. Accordingly, the charges could not be applied to all development since under Section 391 the overall amount of the recovery cannot exceed the costs incurred by the City.

Under these circumstances, the early projects would in effect pay for the share of cost attributable to projects that occur later on.

Residential, commercial and industrial development is likely to occur continually throughout the projection period, although there will certainly be annual variances. However, for institutional uses there are very likely to be significant variances because of the uneven timing of projects and because of large differences in project size. As a result, a large institutional project that occurs early in the overall time frame could end up paying the bulk of the total recovery amount. This would be less of a problem were all of the growth for a particular use to be undertaken by the same institution. However, where there are, for example, several hospital organizations or universities, the cost recovery could be distributed between institutions unevenly depending when individual projects occur.

A suggested solution to address this is to apply charge rates that are calculated annually. This would be done by setting a fixed capital cost component and then adding on to it annually the accrued interest. In this way, a project that occurs early in the period would pay less when only a small amount of interest has been accrued. Projects in later years would pay higher rates but never amounts that would end up recovering more than the total cost to the City.

The following table sets out the fixed capital component amounts attributable to the various institutional uses based on the full recovery amount of \$ 7.229 million and the lower recovery target of \$ 4.0 million. The accrued interest would be added on to the amounts annually.

ROCK TUNNEL CAPITAL SHARE		
	Full Recovery Target (\$ 7.229 Million)	Partial Recovery Target (\$ 4.0 Million)
Hospital (per bed)	\$ 2,159	\$ 1,195
University (per student)	\$ 168	\$ 93
University Residence (per unit: 2.52 students)	\$ 1,655	\$ 916

HEMSON

Using this approach and assuming the same 6.5% interest rate that was used to calculate the fixed charge rates, the charges for the full recovery target at Years 5 and 10 would be as follows.

ROCK TUNNEL CAPITAL SHARE PLUS INTEREST		
	At Year 5	At Year 10
Hospital (per bed)	\$ 2,816	\$ 3,805
University (per student)	\$ 216	\$ 381
University Residence (per unit: 2.52 students)	\$ 2,129	\$ 3,753

B. CHARGE AND SPACE EQUIVALENCE ISSUES

A second complexity with respect to institutional buildings arises because of variations in the type of space and the need for the charge by-law to define a clear relationship between space and the related waste water flow measures.

In the case of universities, proposed charges have been calculated based on daily flows per student. Since university buildings vary so widely in terms of design and use, their student capacity may also vary widely. While some buildings (e.g. lecture rooms) will have a clearly defined student capacity, others (e.g. administrative buildings) may not. To address this issue it is recommended that a standard "building space per student" area be established. This could be calculated by dividing average number of students within the university (including pro-rated part-time students) taken over a number of years into the total gross floor area of university buildings over the same period. Temporary and unserviced out-buildings should be excluded from this calculation. This area could then be used to establish a per square metre rate using the overall per student charge estimate.

Similar issues arise in respect of hospital buildings when considering the best way to apply the per bed charge amount. Like universities, not all space in hospitals has a clear "bed" capacity. Accordingly, it is recommended that a standard "building space per bed" be established.

One disadvantage that has been identified of using this “space equivalency” approach to applying charges is that the amount of space per student or per bed is increasing as the size of facilities required to support each user is increasing. To the extent this is occurring, an increase in space may therefore not necessarily lead to increase in utilization of the Rock Tunnel. The issue serves to highlight the point that for institutional uses, there is no ideal basis upon which to apply a charge. Should it be decided to apply the charge to university and hospital developments using the building space equivalent approach described above, staff will need to obtain the necessary building space, bed counts and student population information.

For student residences, the calculated charge contained in the June report was based on an assumed occupancy of 2.52 students per unit. Since units within student residences can vary widely in terms of their student capacity, it is recommended that units be defined in terms of this standard occupancy number. Thus, for example, a unit accommodating eight students would have a standard unit equivalent of 3.17 units.

C. CHARGE EXEMPTION PRACTICE

You also asked us to survey a range of municipalities to identify how institutional uses are treated with respect to development charges. The results of the survey are summarized in the attached table.

As is identified in the table, some municipalities exempt all institutional uses under a general exemption of non-residential space. Where there is no general exemption, it is quite common for schools, places of worship and hospitals to be exempted. Universities are not exempted in several of the cities where universities are located (Ottawa, Kingston, Peterborough and St. Catharine’s). However, the City of London provides a 50 per cent reduction for community colleges and universities and the Towns of Innisfil and Midland in Simcoe County exempt both from all charges.

We understand that some university charters contain provisions that effectively establish exemptions from charges. For the surveyed municipalities, there is no clear consistent pattern of exemptions for institutional uses.

In summary, there are a number of issues associated with institutional uses that need to be considered carefully in preparing the proposed Section 391 By-law. While there are

operational complexities associated with the implementation of charges for institutional properties, the approaches noted earlier would, I believe, address them in a reasonably satisfactory manner. At the same time, were Council to decide that the implementation issues relating to institutional properties offset the merits of recovering a share of the rock tunnel costs, exempting these uses would be in keeping with practices in a number of other municipalities. I trust the foregoing information will be of assistance.

Yours very truly,

HEMSON Consulting Ltd.

A handwritten signature in cursive script, appearing to read "J. W. Hughes".

John Hughes, FRICS

Partner

HEMSON

DEVELOPMENT CHARGE EXEMPTIONS FOR HOSPITALS, UNIVERSITIES AND COLLEGES

	City of Peterborough	City of Kingston	City of Ottawa	City of St. Catharines	City of London	Town of Innisfil (Simcoe County)	Town of Midland (Simcoe County)
Hospitals	"lands, buildings or structures used as hospitals governed by the Public Hospitals Act"	No exemption	"non-profit health care facilities" only	Exemption for all non-residential development, including hospitals	50% reduction in charges with respect to "a hospital as defined under the Public Hospitals Act"	"buildings or structures used as hospitals governed by the Public Hospitals Act"	"buildings or structures used as hospitals governed by the Public Hospitals Act"
Universities & Colleges	No exemption	No exemption	No exemption	Exemption for all non-residential development, including universities and colleges	50% reduction in charges with respect to "universities and colleges established pursuant to the Ministries of Colleges and Universities Act"	"Colleges of applied arts and technology established pursuant to Ministry of Colleges and Universities" and "Universities established by an Act of the Legislative Assembly of Ontario"	"Colleges of applied arts and technology established pursuant to Ministry of Colleges and Universities" and "Universities established by an Act of the Legislative Assembly of Ontario"
Churches	"lands, buildings or structures used or to be used for a place of worship or for the purpose of a cemetery or burial ground"	"a place of worship classified as exempt from taxation under Section 3 of the Assessment Act"	"places of worship"	Exemption for all non-residential development, including churches	50% reduction in charges with respect to "lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground"	No exemption	"churchyards, cemeteries or burial grounds"