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November 13, 2012

Guy Paparella  
Director, Growth Planning  
City of Hamilton  
71 Main Street West  
Hamilton, ON L8P 4Y5

**Re: City of Hamilton Growth Management User Fee Review**

We are writing to express concern with the City of Hamilton's current User Fee Review for Growth Management. It is our understanding that the City is seeking to achieve 100% cost recovery for the services provided by both Planning and Engineering, with the result being some fees increasing by as much as 96% when compared to current rates.

While we acknowledge and agree with the principle of applicants paying their fair share of the costs associated with providing services to the development industry, the proposed fee increases are beyond what we would consider fair. Files processed by Growth Management provide benefit to both new home buyers and existing taxpayers, thus 100% cost recovery unfairly puts the burden on the new home buyer. As a comparison, the City of Burlington is currently reviewing its fee structure, and is proposing recovery rates of 85%, recognizing this benefit to existing ratepayers. We were also surprised and disappointed to find that a review of existing services for potential efficiencies and improvements was not carried out in conjunction with the cost of providing services. No consideration has been given to whether staff efforts and processing times for service delivery are appropriate.

The proposed increases have a significant effect on the price of a new home: a new home in a typical 10 lot subdivision requiring rezoning and OPA would increase by as much as \$2,900 per unit, and a house in a similar development of 100 units would increase by as much as \$600. Site plans are similar, with increases ranging up to \$2,800 for a 10 unit development and \$300 per unit in a 100 unit condominium. The proposed fees for the review of applications are now exceeding the cost of private consultants who are responsible for preparing the applications for submission, in many instances. The review of information should not exceed the cost of preparing it.

Moreover, City staff has advised us of a number of other policy changes in the last few months (and have outlined other changes they plan to implement in the future), all of which incrementally increase the cost of developing in Hamilton, beyond the increases noted above. These additional costs will ultimately impact the new home buyer through adverse consequences for affordability and choice in the market.

Finally, we wish to re-emphasize the concern about paying higher fees for service that has consistently been degrading over time due to insufficient staff resources and expertise. It is our expectation that customer service from Growth Management, both in terms of the quality of service and turnaround times for the respective service, improve considerably before any increases be implemented.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul Chumley", is written over a horizontal line.