

City of Hamilton  
71 Main Street West,  
Hamilton, ON L8P 4Y5

March 14<sup>th</sup>, 2019

Re: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

Attn: Mayor and Members of the General Issues Committee

On behalf of the Hamilton Halton Home Builders' Association (HHHBA), I would like to thank the City of Hamilton for seeking our input on the proposed increase to user fees.

In 2018, the City of Hamilton undertook a comprehensive Planning and Development Engineering Fee Review to determine if the current development application fees are reflective of council's direction to achieve full activity-based cost recovery inclusive of overhead costs for all development application related processing. The review is based solely on the current level of service without any enhancements.

Over the last several months, the City of Hamilton has given the opportunity for the public, and many stakeholder groups to comment and provide feedback. The HHHBA would like to thank the City of Hamilton for continuing to work with the industry, and providing us with time to speak to the ongoing changes facing the home building industry in Hamilton. This working relationship has been a positive one, and the HHHBA looks to continue to find ways to help grow the City of Hamilton, while simultaneously supporting the best interests of local business, and every home owner or soon to be home owner in the city.

**Errors/Omissions in the User Fee Study:**

- Comparison cities – The consultant did not use all cities within an appropriate kilometer radius of Hamilton, but rather selected cities that had higher user fees. All of the cities (but one) were located within the GTA. Cities that should be included within the study are Cambridge/Kitchener/Waterloo, Niagara Falls, Brantford, St Catharines, and Guelph.
- The City of Hamilton often requires complex applications for projects deemed 'routine' in other cities.



- Several examples should be used to gauge the actual costs of user fees compared with other Cities
- The user fee comparison only included base fees, not the additional 'per-unit' fees that are on top of the base fees
- Generally, the consultant's study is only single dimensional; it only looks at base fees, without considering market conditions, expedited services, staff ratios, etc.
- The study falsely assumes that Development Planners do not provide a service to the tax-paying public, as it suggests that 100% of their salaries and benefits are to be covered by user fees
- Errors in consultant's research - the timesheets of the staff are excessive or exaggerated. An example of this being some technical staff (such as transportation/development engineering) are incorrectly shown to be reviewing routine applications.

**Our recommendations are as follows;**

1. The first recommendation the Hamilton Halton Home Builders' Association is putting forward is that there should be no increase to development application fees beyond inflation.

If this is not the direction taken by the City of Hamilton, the Hamilton Halton Home Builders' Association expresses a need for a cost recovery direction that is in a fair a just manner. Unfortunately, the end result of these particular **100% cost recovery increases for all application types** will be harmful for the City of Hamilton's growth and competitiveness moving forward. Therefore, the HHHBA recommends reduces its proposed increases to a percentage more appropriate relative to the calculations in the user fee study.

2. In addition to the previous point, the calculations in the User fee Study are flawed based on the HHHBA's review of the time sheets prepared by staff. We found that hours were inflated. An example of this was the number of hours by Development Planning Senior Project Manager's spending 1 hour on every minor variance application. The number of hours per staff person, per application type, per task exceeds the total staff hours worked.

These timesheet calculations need to be revaluated and revisited by the City of Hamilton and development industry to ensure all fee increases are based on appropriate calculations.

3. In past meetings with the City of Hamilton, there was talk around adding new application categories in order to help support smaller projects that would be affected greatly by these cost increases. It is important to note, not all application types are completed by industry professional. Many homeowners, filing "minor" or "routine" applications will be hurt from these increases as well. Therefore, the HHHBA recommends the opening a dialog on further categorization for all application types to better support all sizes of projects.
4. In addition to the previous recommendation, definitions of what constitutes 'routine' and 'complex' applications should be determined for equality across the board.
5. It is important to note that agricultural applications will be severally impacted moving forward with the proposed 100% cost recovery increases. Many of these applications are minor in scope and should be revisited. The HHHBA recommends revisiting the agricultural application fee increases.
6. As efficiency is key to maintaining project timelines, and the City of Hamilton should allow for reductions to fees if applications are not reviewed within a specified time period
7. There is a major need for transitional policies to allow for development community to adjust. In that, those already through formal consultation to be under old fees.
8. The industry has expressed a need for rate caps be introduced to all fees that have a per unit charge.

Due to the magnitude and implications of this document it is imperative that the comments from the industry and professionals affected by it be given appropriate consideration. We further request that staff attend a further meeting with the industry to discuss the comments provided herein and the outcomes that may or may not have been incorporated. We have always stated that we are happy to work with the City on documents such as this.

Thank you again for the opportunity to comment on the *2019 Proposed Tariff of Fees for Planning and Engineering Development Applications*. Please feel free to contact us with any questions. We look forward to continuing the consultation process with the City.

Sincerely,



Suzanne Mammel, MBA CET

CEO, Hamilton-Halton Home Builders' Association