



November 15, 2012

Mr. Guy Paparella  
 Director of Growth Planning  
 City of Hamilton  
 71 Main Street West, 6<sup>th</sup> Floor  
 Hamilton, ON L8P 4Y5

Dear Mr. Paparella:

**Re: CITY OF HAMILTON GROWTH MANAGEMENT USER FEE REVIEW**

As a member of the Hamilton-Halton Home Builders' Association and as a local developer - homebuilder, I must express my trepidations regarding the recent Hamilton Planning and Growth Management User Fee Review.

I understand that, per the direction of Council, City Staff are moving towards 100% cost recovery for Planning and Engineering Fees which would mean charging fees based on the actual costs calculated over a 3 year average rather than cost projections. As a result, the proposed increases in the Fee Schedule appear to be as high as 100%. For instance, as shown on the attached table, the Routine Re-zoning fee is proposed to increase by 74%, totaling an additional \$4,345.00 in fees. For a 45 unit Site Plan Application, fee increases range from 20% to 100% which is an additional cost of \$6,570.00. For a 45 unit Draft Plan of Condominium Application, fees are proposed to be raised by 15% to 27%, translating into an additional \$2,645 in fees. Overall, this effectively doubles the cost of applications.

I ardently believe that it is inappropriate to introduce the proposed fee increase without an in-depth review of the repercussions of its adoption. To begin, 100% cost recovery through application and processing fees is unjust to new home buyers who would be shouldering the full costs for services that are also beneficial to existing homeowners. Recovery costs must be reasonable and fair to order to be justified.

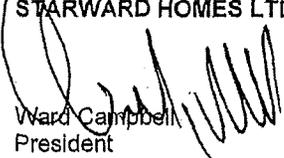
I must stress the significant and onerous financial impact the proposed increase in fees will have on new home buyers. The fees incurred by developers will directly affect the purchase price of a unit, adding additional costs to the bottom line and making housing more unaffordable in Hamilton. Hamilton currently benefits from a competitive market when compared to neighbouring municipalities, which makes this City an attractive place to live for potential purchasers. I believe that the proposed increases will be detrimental to the Hamilton housing market, and considerably reduce the number of potential buyers who are seeking more affordable housing options, as well as detract second time home buyers from staying within the community.

Should there be any increase in fees, I insist that the quality of customer service drastically be improved including the service turnaround time. It is inexcusable for the development industry, and as a direct result, new home buyers, to pay for continual increases in fees while the level of service has steadily been declining from lack of staff resources and expertise. It is therefore unreasonable to support an increase in fees without the justification for it. Furthermore, I consider it prudent that a reasonable transition period be implemented to phase in any fee increase.

In consideration of the proposed fee increase, I fully support the HHHBA's position as stated in their letter dated Oct. 17, 2012. Furthermore, I assert that the City must fairly evaluate the impact it will have on new home buyers, on the affordability of the Hamilton market, and whether the fees are truly representative of the costs of the application process/services rendered. Measures must be taken to ensure the fees are appropriate and reasonable and that any increase is accountable.

Sincerely,

**STARWARD HOMES LTD.**

  
 Ward Campbell  
 President



cc. Mayor Bob Bratina  
Councillor Brian McHattie  
Councillor Jason Farr  
Councillor Bernie Morell  
Councillor Sam Merulla  
Councillor Chad Collins  
Councillor Tom Jackson  
Councillor Scott Duvail  
Councillor Terry Whitehead  
Councillor Brad Clark  
Councillor Maria Pearson  
Councillor Brenda Johnson  
Councillor Lloyd Ferguson  
Councillor Russ Powers  
Councillor Robert Pasuta  
Councillor Judi Partridge