

Background

The City of Greater Sudbury initiated Phase 1 of the Official Plan Review in 2012. As part of this work, Hemson Consulting was retained to prepare three studies:

1. Population, Employment and Household Forecasts (2011-2036);
2. Development Charge Background Study and By-law; and,
3. Comparative Fiscal Impact Analysis of Growth Study.

The Planning and Financial Services Divisions led these studies. Other Divisions were consulted on all three studies as they were developed. The first two studies were presented to Planning Committee and City Council in 2013 and 2014, respectively.

On May 29, 2017 Planning Committee considered a report from the General Manager of Growth and Infrastructure regarding the outcome of the Phase 1 Official Plan Review. At that meeting, Councillor Jakubo moved that the matter be deferred until the Comparative Fiscal Impact Analysis of Growth Study (the study) was presented to and considered by Planning Committee.

Purpose

This report responds to the May 29, 2017 feedback from Planning Committee and presents the Comparative Fiscal Impact Analysis of Growth Study for Planning Committee and Council's information.

Discussion

Greater Sudbury is a community of communities. At 3,627 square kilometers in size, it is the most expansive municipality in Ontario. The city includes vast tracts of wilderness and rural areas and more than 20 communities or neighbourhoods, each with their own distinct character. Looking at the city as a whole, approximately 50 people live within each square kilometer of land that make up the city. The number of people living in an urban square kilometer of land is highest followed by suburban, rural and wilderness areas.

The City of Greater Sudbury provides various services across the city. These include roads, bridges, water, wastewater, stormwater, parks, libraries, community centres, police and emergency services, to name a few. In each case, the City establishes how the service will be provided (i.e. service standard) and provides the service, which generates a cost. The City collects revenue to pay for the cost of providing these services. Some services, like roads, bridges and parks, are funded by the property tax. Others are funded by user fees (e.g. water and wastewater).

The cost and revenue of some services are “sensitive” to location, how streets are arranged (community structure) and number of people and homes within a given area (density). These include services such as snow plowing, street sweeping, waste collection, water, wastewater, parks and recreational services. It is more efficient to provide these services in urban areas, where there are more homes and people to use and pay for the services. This also applies to the maintenance and replacement of roads, pipes, etc. (capital assets).

The City of Greater Sudbury commissioned the study to better understand the costs and revenues of providing services across the city. This is the first time that a study of this kind has been undertaken in Greater Sudbury. The study focuses on residential development. Using best available data, it estimates the cost of providing services in urban, suburban and rural areas, as well as the revenue (assessment, taxation) collected in the same areas.

The study confirms what is generally understood and accepted. Urban areas are the most efficient to service, followed by suburban and rural areas. These differences are illustrated in Table A.

The study provides a first perspective on the costs and revenues associated with residential land uses across the city. The study will help the city meet its obligations under the *Planning Act* and *Provincial Policy Statement*. It can help inform the Official Plan, which balances various economic, social and environmental goals and objectives, and directs how the city will grow and change over time. The study should be updated on a regular basis, similar to other studies such as the Parks Master Plan. Regular updates will help the City better understand how effective its land use planning decisions are from a financial perspective over time. As the City continues to receive information, it may decide to adjust its land use planning policies, service levels, tax policy, development charges, etc.

It should be noted that the study is based on what the city is spending to provide services, not what it should be spending to properly maintain assets over their lifecycle. The study is intended to provide a high level assessment of cost and revenue variations. The actual financial implications of an individual development proposal will vary. The study is not intended as a service level review and should not be interpreted as such.

Conclusion and Next Steps

The Comparative Fiscal Impact Analysis of Growth Study is the first of its kind for Greater Sudbury. It was commissioned to better understand the costs and revenues of providing services to residential areas across the city. The study confirms that urban areas are the most efficient to service followed by suburban and rural areas.

The Comparative Fiscal Impact Analysis of Growth Study can be used to inform upcoming discussions on the Official Plan. It can also be used to inform the upcoming Development Charge Background Study and By-law Update. The study will be updated on a regular basis as part of future Official Plan Review programs.