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No development fees, council rules

By Elaine Della-Mattia, Sault Star Monday, September 26, 2016 9:07:42 EDT PM



There's no sense in spending money on something you don't want.

And with that, city council on Monday scrapped any more studies, meetings or proposals that would examine the issue of development charges.

The concept of imposing development charges – an additional levy added to any new builds – has been under review in Sault Ste. Marie 1 several years.

Development charges are an additional charge builders incur when building new. Monies paid are designed to offset costs associated witl additional city infrastructure needed to accommodate growth. The levy is often used for items such as new roads, sewers or public transit.

Sault Ste. Marie has never levied development charges on residential, commercial, industrial or institutional development. It first began examining the issue in 2013.

Council was faced with a staff report Monday asking for an additional \$15,000 budget to update the work already done by consultants and bring it in line with provincial requirements for implementation in 2017.

Ward 6 Coun. Ross Romano told council that if there is little appetite to impose development charges, then why should council spend more money on updating a study.

"I understand we're not voting for development charges," he said. "But, if we're not in a position where we're going to do this, this is our chance to nip this in the bud."

Romano erroneously said the city has the highest corporate tax rates when, instead, he was referring to commercial tax rates, as corrected by Mayor Christian Provenzano.

Romano also noted the city has increased its business permit fees, another factor that could contribute to the loss of business for the city.

He said council should be cutting the restrictions and red tape to encourage business to establish in Sault Ste. Marie.

"We need a thriving business economy," he said. "One of the few competitive advantages we have is not having development charges. We can stop this now," Romano said.

Other city councillors agreed.

Ward 3 Coun. Matthew Shoemaker said there is no purpose to continue with the development study considering there appears to be a consensus that council has no interest in opposing the extra fees.

Ward 2 Coun. Susan Myers said she's "100% opposed to development charges" and doesn't anticipate changing her mind unless there is radical change" in the amount of development that occurs in Sault Ste. Marie.

Other stakeholders, including the Chamber of Commerce and the Sault Ste. Marie Construction Association, have also voiced opinions the such charges will have a detrimental effect on development in Sault Ste. Marie.

The Chamber has argued that development charges are usually used to manage rapid growth and shouldn't be implemented when both building permits and construction is down.

A submission from the Chamber of Commerce suggests the city's immediate priority should be to address high commercial and industrial t rates.

The paper to council also says the number of businesses in the Sault has fallen from 2,700 to 2,250 in the past five years, the GDP growth has been non-existent since 2008 and new 2016 construction values have dropped by 50% over 2015 new construction values.

Development charges shouldn't be considered until the Conference Board of Canada's annual economic survey shows that the Sault has achieved an annual economic growth rate of no less than 2.5% over a period of at least three consecutive years, the Chamber report concludes.

Council defeated the request for additional study monies, ultimately cancelling any more discussion on development fees.



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