



October 5, 2017
**RE: Amendments to the Planning
& Development Act**

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The Honourable Larry Doke
Minister of Government Relations
Government of Saskatchewan
420 – 1855 Victoria Ave
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Dear Minister Doke,

I am writing you today as a business in the development and residential construction industry in Saskatoon and region. The Government of Saskatchewan is proposing a number of changes to the Planning & Development Act 2017 (PDA). We have worked with civil servants and consultants of the Ministry of Government Relations for the last year to provide our expertise and opinion on the entire review & consultation process of the PDA.

We have appreciated the consultation process your government as taken and would like to congratulate the hard-working staff who have put this together. There are enhancements and modifications to the PDA that are timely and for which we support. Although it is very difficult to get agreement by stakeholders on all the amendments proposed, we do feel there is significant alignment with this government and the residential construction sector with most of amendments that will go forward to the Legislative Review Committee.

There are also, however, alarming concerns on new consideration in the PDA which remain - despite our warnings and advocacy efforts - and have been described as “atomic bombs” by our industry for affordability and growth in our province. Those amendments, which can all be described as additional taxes, include:

- 1) Expecting the developer to partner in the land assembly process by contributing towards future school sites via money-in-lieu of land or dedication of municipal reserve land, which could also be increased
- 2) Allowing the municipality to charge levies for provincial roads and highways where needed
- 3) Expanding the list of eligible items for servicing and development levy agreements between municipalities and developers to include libraries, public transit, protective and emergency services and regional infrastructure

Although Saskatchewan municipalities may point to other jurisdictions in Canada who allow for such ridiculous development taxes, including the recent changes adopted by Alberta’s NDP government and the Liberal Government of Ontario. This would have a significant impact to the cost of servicing land, completely erode the last competitive advantage our province has in delivering some level of housing affordability to Saskatchewan citizens and ensure a significant number of new comers, young families and





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first-time home buyers would not qualify for a mortgage. This would be a growth killer for any new investment in our land development and housing industry.

When it comes to any new development taxes, Premier Brad Wall's comments on Federal Carbon Tax seems appropriate, "It is a tax, by definition, [that] will disproportionately impact sectors that are important to our province. Now is not the time." Our industry cannot afford to be hit with yet another tax given the recent headwinds we have been facing. From PST on construction labour to the CMHC stress-test, drywall tariffs and continual municipal demands, the cost to bring housing and land to the market continues to increase dramatically and affordability is eroded.

The residential construction industry in Saskatoon and region creates over 5,800 on-site and off-site jobs which is \$355M in wages and \$1.5B in investment value. Our industry is dependent on the growth of our province. Our industry needs a government in Saskatchewan which understands a vibrant province is driven by growth. Growth drives the economy, improves culture, and encourages innovation.

What must be clearly understood by the Legislative Review Committee, if the Government of Saskatchewan chooses to grant municipalities the power to apply new and more taxes, it would send a strong signal to our industry that the priority of growth for our province and ensuring Saskatchewan citizens can attain a higher standard of living, would only be lip service.

We encourage you to continue to invest in our province's future to keep our great province growing. Do not add significant roadblocks like new development taxes to our industry, so business can do its part to keep Saskatchewan growing.

Sincerely,

Keith Moen
Executive Director

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SASKATOON'S BUSINESS ASSOCIATION