

"THE 40-60 RATIO"

There is a lot of talk about a 40:60 ratio. But "40:60" is not a magic number, to solve all municipal problems. It is a formula, or "rule of thumb" suggested as the ideal proportion of commercial and industrial assessment to residential assessment.

Where there are only modest homes of low assessment then it is necessary to have about 40 per cent of the assessment coming from business and industrial properties. That is a 40:60 ratio.

But the residential-industrial assessment ratio may have little bearing on the tax rate. Take the 25 Ontario towns of comparable population -- 7,000 to 15,000 population. The assessment ratio varied in these towns as of January 1st from 60:40 (Hawkesbury) to 15.85 (Richmond Hill). Yet Hawkesbury's tax rate was almost identical to Georgetown's and Richmond Hill's was considerably lower. Forest Hill, with a 10:90 ratio has one of the lowest tax rates in Ontario. Moreover, Georgetown's 1959 mill rate is almost exactly the average for the 25 similar sized towns.

	Industrial	Residential
Georgetown	63.0 mills	61.0 mills
Average for 25 Ontario towns	64.7 mills	60.0 mills

Georgetown is neither all modest homes nor is it a Forest Hill Village. Some older homes have low assessment value. Many old and new houses alike are near the "break-even" point -- an assessment producing sufficient tax money to pay for the occupants' needs. And we have substantial homes in all sections of town which more than pay their way.

Aiming for a 40-60 ratio here we must not lose sight of these fundamental facts:

(a) Above a certain assessment -- somewhere around \$5,000 more or less in Georgetown -- a home pays its way and does not need industrial assessment to balance it off. Such homes should not be counted in calculating the ratio. Nor should vacant land which costs the municipality nothing to service and yet produces taxes to be counted as a residential charge.

(b) Commercial assessment is as beneficial -- dollar for dollar -- as industrial assessment. Big new industries are dramatic news but let's not lose sight of the growing business community.

(c) New businesses depend on a growing population to patronize them. New industries need a working force and the working force must be housed.

Now what does all this have to do with Delrex? A great deal and each of the following statements can be confirmed readily by consulting the records in Georgetown Municipal Offices:

1. Delrex did not create Georgetown's assessment ratio. The ideal 41:58 ratio of industrial to residential assessment dropped to 28:71 between September 30, 1954, and September 30, 1955. By that later date Delrex had not completed a single home in Georgetown.
2. Since September, 1955, the residential assessment here has increased just four per cent. And while Delrex brought in substantial industrial and commercial assessment to offset the rising residential assessment, other developers attracted no new industries -- and were never obliged to do so.
3. Between January, 1955, and June, 1957, alone, Georgetown allowed establishment of approximately \$2,500,000 worth of new residential assessment, outside the Delrex area. During this same period, Delrex created \$690,000 worth of residential assessment.
4. Of \$1,513,000 total assessment created by Delrex in the January, 1955 - June, 1957 period only 40 per cent was houses.
5. The average assessment of all 926 homes in Delrex is approximately \$4,335. This is \$785 higher than the average assessment for all Georgetown homes.
6. Delrex got no special privilege in the release of its original 188 acres. Every subdivider has been allowed by Georgetown council to develop his lands without regard to the assessment ratio, up to September 7th this year Delrex voluntarily assumed leadership for attracting industry, despite the lack of commitment.
7. Delrex got no preferential treatment in the release of the second section of its development last year. Delrex guaranteed to maintain the 40:60 ratio on this second phase by securing the additional industry, or paying the difference in cash.
8. Delrex is paying taxes on some \$500,000 assessment of vacant land -- property that neither sends children to school nor requires one cent's worth of servicing. This includes 375 acres of serviced industrial sites which are classified as "residential" assessment in calculating the ratio.

Because we are taxpayers, too, Delrex would like to see lower taxes. Because a higher assessment will reduce taxes -- and because we have industrial sites to sell -- Delrex aims for the 40:60 ratio. But Delrex did not create the imbalance. Delrex has neither asked, nor received, preferential treatment. Delrex is an integral part of Georgetown. It must be treated as such.

DELREX DEVELOPMENTS LIMITED