

Don't close land purchase . . .

ject which would cost \$6 million and every taxpayer \$50 a year on the average house. He'd also urged citizens not to "trust" councillors who said the building wouldn't cost that much or wouldn't be built now. Furness had suggested the municipal complex would cost people a lot of money to fulfill councillors' dreams. Also, he'd suggested, council had no business risking Town funds getting into the development business. There was applause from the taxpayers in the audience to Furness's preamble.

Councillor Phil Carney asked who should the need for more space be proven to, and Furness replied the building committee, council and the public. Carney questioned where the \$6 million figure came from and Elliott explained from the \$4.4 million stated in the space needs study done for the Town, with inflation and furnishings added on. He said the citizens' arithmetic might be simple, but it was more accurate than what the Town's been using. This was greeted with a

great burst of applause from the audience.

Carney asked what risk there was in what council was doing and Furness asked what will happen if the province says the Town doesn't have enough water for Georgetown growth or if McLaughlin developments says it has the right to develop its Georgetown lands first. He asked if something goes wrong, how the Town will get its \$600,000 back?

Carney said the Town has an agreement to purchase the land and warned the owner could sue if the Town doesn't close the deal.

Page replied if it turns out the council didn't have the power to buy the land in the first place, no court would force it to close the deal.

Carney noted he has made a proposal to council for low cost housing on the property, something which is clearly allowed under the Municipal Act.

Former mayor Peter Pomeroy said afterwards the Town investigated all the legalities surrounding its purchase of the Stevens' land and noted apartments were built in Oakville on excess land that municipality bought. He suggested there might be a need for Ontario Municipal Board approval if the Town was debenturing funds for the acquisition, but it was being paid for from an existing reserve fund.

Peel regional chairman Frank Bean was at the meeting and said afterwards many precedents have been set for the type of action council was planning with this purchase. He recalled Brampton bought more land than it needed once from the province. If this action was against the Municipal Act, then why would the province be the vendor?

Purchase legal?

(Continued from page 1)

development but "we would also suggest that there is clearly no authority to service (with water and sewers) and develop this land."

"Upon our examination of the reports and valuations which have been provided to us, we are somewhat troubled and have difficulty finding a power, a right, or an authority for the Town to purchase the Stevens property. If the Town was purchasing land only to be used by the municipality for a municipal complex or park land we would not be raising these particular points. Although we may still object or question the purchase and the reasons why the Council decided as it did, our concerns would be different. We now look and we ask where the authority comes from for a municipal corporation to purchase land for development purposes. We would suggest that there is no authority; there is no power. We would suggest that therefore that the bylaws authorizing the purchase is ultra vires. On a clear wording of the Municipal Act, such bylaws appear to be beyond the power of this municipal corporation."

Their report went on to note the funds for the Stevens' land are coming from a reserve fund and the money came from lot levies and severance fees and a small part was from the sale of excess Town land. No funds were put in the fund in 1983 and 61 per cent of the money came from Georgetown, 30 per cent from Esquesing and nine per cent from Acton.

The Town's first bylaw establishing the reserve fund stated it was to "finance expansion on Trafalgar Rd." while a revised bylaw placed the money in an account for an "administration building."

The citizens' group noted there is a "considerable body of law" in the courts and at the Ontario Municipal Board indicating lot levies are to be "imposed only where and to the extent that lot levies are necessary to cover the additional cost to the municipality which is created by the subdivision." Lot levies aren't another form of taxation, the report notes. However, lot levies appear to have been used soley for the building up of the municipal complex reserve fund, the brief stated. "Who then paid for the additional load created by these subdivisions? Did the residents of the new lots get the services which they paid for?"

"The Town should not be land banking. It was admitted at council in September that there is little evidence as to what we need for a new administration building and no one knows how this project can be financed or when it could be started."

Three appraisals done, three different prices

Halton Hills had three property appraisals done on the Stevens' land and according to the citizens' group probing the purchase there were three different values determined, only two proceeded on the same basis and none of the projected uses were the same as those suggested by the council's building committee.

Halton Hills has been looking at the new administration building question for years and at one time Trafalgar Rd. was the favored site, but there's been no expansion.

The building committee in July 1981 was to investigate the need for a building, as well as possible sites. The citizens' group suggested it was assuming no possible sites were excluded, but Trafalgar Rd. wasn't considered in the committee's report.

By June 1982, they reported, the Stevens' site had emerged as the only site possible and various studies and reports were presented to council and its consultant Longmore Developments. The Stephen Saxe appraisal of August 1982 was based on 7.2 acres of the Stevens' land being used for the complex; 2.08 acres for multi-family housing; 12.45 acres for 24 single family homes and 14 link homes; and open space or parkland of 8.05 acres. Longmore had come up with a draft plan for the development dated

August 3.

The citizens' group asked how in the summer of 1982 council had determined it needed seven acres for its building. "How do we know what is needed (in August '82)?" Also as far back as then it was clear a large part of the site was to be purchased but not used by the municipality, only 24 per cent of the land would be for the building, 27 per cent unusable, and as much as 49 per cent of the site used for homes.

At that time Saxe pegged the value of the land, based on the municipality's plans for its development, at \$715,000. However, Saxe's report envisioned 24 single family homes and 28 link homes, not 24 homes and 14 link units as suggested in the other municipal reports. "But the land is not fully serviced and the building committee, we understand, recognized that the valuation was pretty useless based on a given state of facts which weren't true."

In a report last year Saxe corrected the errors in the terms of reference he was given. This report showed the value of the land at \$429,000 in 1982 and \$471,000 in 1983.

A third appraisal by Humphries-McCaw of Hamilton valued the property at \$600,000, the price the Town paid. The citizens' group suggested this appraisal was "valueless" since it was based on the creation of 87 building lots and 87 lots aren't mentioned in the building committee reports or the Saxe appraisals. The building committee envisioned 52 individual lots.

After meeting with Saxe the committee learned "in his valuations (he) discounted cash flow for both revenue and expenses and this cash flow approach is necessary to determine true costs. He similarly notes that the developer will have to make a profit, estimated at 40 per cent, on the sale of the lots. The report of the building committee ignores both the discounted cash flow items and the developer's profit margin on the lots. Effectively Saxe values the residential property at \$129,000 while the building committee report shows a surplus of \$456,000. That's a big difference."

"We have difficulty reading the two valuations of Saxe and the one of Humphries-McCaw and justifying the purchase price. The only valuations which are useful at Saxe's and they show that the land is worth \$429,000 in 1982 and \$471,000 in 1983. How do we get \$600,000?"

Their brief noted that a "special interest purchaser" like Halton Hills might have to pay market value, plus a premium. "But with the end use being assumed with a given purchaser and the valuations based on highest and best use, we cannot see why an additional premium above highest and best use is justifiable."

The Humphries-McCaw report proceeded on the false assumption of 87 lots when the building committee only envisioned 52. Further the building committee suggested 52 lots would sell for \$42,500 each. Yet the draft plan of subdivision prepared by Longmore and used by Saxe in his report calls for 24 single family lots selling for \$42,500 each and the link homes for \$50,000. There's a "difference of about \$400,000 between figures shown on the report of the building committee and any valuation used by."

Institutional land uses are things like municipal complexes, schools and churches, but the institutional portion of the lands were valued at industrial land prices by Saxe, the citizens' report notes. Saxe told the group the Stevens land as an institutional use "could not be adequately compared with other properties because there are few comparable properties. The use of industrial values for institutional land, he noted, was largely arbitrary."

"We would suggest that one property worthy of consideration is the Watchtower Bible Society property. Even conceding that the Stevens' site has more potential than that property, there is a wide discrepancy in valuations. A 9.7 acre portion of that property sold for \$17,360 per acre and a 55 acre portion sold for \$16,358 per acre. But the institutional portions of the Stevens' estate have been valued at \$55,000 and \$65,000 per acre respectively. There is a large difference in price per acre. We ask if that is justifiable?"

Praise for staff on handling snow

Town staff has been doing a good job handling all this snow that's been dumped on Halton Hills this year, some councillors observed Monday night.

Councillor Marilyn Serjeantson said she wanted to compliment staff on the good job that's been done, adding the December storms depleted the Town's budget severely.

Councillor Ross Knechtel agreed with her praise of the staff.

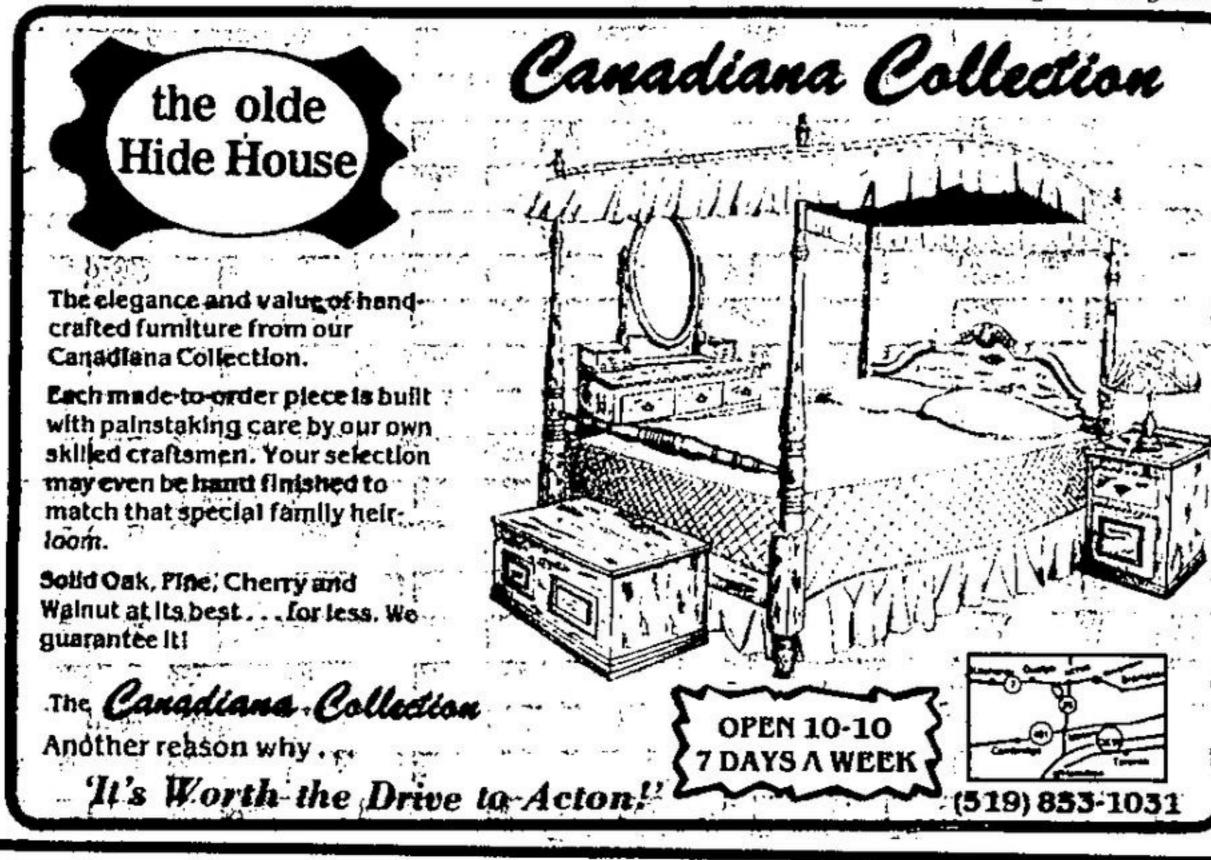
Mayor Russ Miller said he's been hearing "good remarks" the last few days after the "small disaster" that hit the Town in December. Things were pretty bad in Halton Hills, he said, during the period when the storms were raging.

Peace Camp hearing now on January 18

The date for the International Peace Camp's (IPC) appeal hearing over rejection of its proposal to develop a major multi-ethnic cultural recreation centre has been changed.

Niagara Escarpment Commission (NEC) member Dave Whiting announced this week the date for the hearing has been changed to next Wednesday, January 18, at the Milton Town Hall at 10 p.m. The hearing was originally scheduled for yesterday (Tuesday) according to the notice sent to Halton Hills.

The NEC rejected the IPC plans to develop the old Twin Lakes property south of Speyside in November after receiving strong opposition to the proposal from Halton Hills and Milton. The region's Environmental and Ecological Adivsory Committee, Ministry of Natural Resources, Region Health Department and Halton Region Conservation Authority also expressed concerns in their comments.



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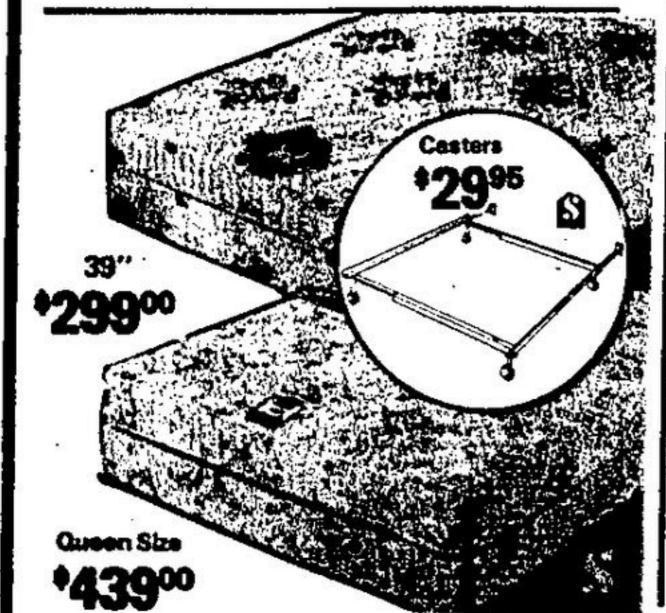


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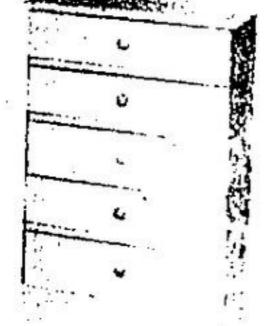
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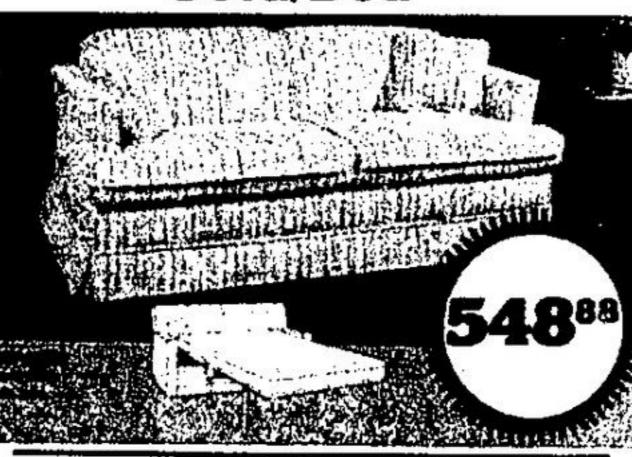


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