McLauglin seeks partner; no effect on Silver Creek plan

S.B. McLaughlin Associates Ltd. is presently negotiating with a number of other development firms and investors, some of them from the Halton Hills area, to undertake joint venture deals primarily involving the 361-acre site south of Silver Creek in Georgetown where the company wants to build some 1,740 homes.

The Mississauga-based development firm, one of Ontario's largest, announced last week that it was inviting other companies to buy into some McLaughlin ventures.

The move is aimed at off-setting corporate losses which amounted to $1.1 million during the first three months of this year.

While a number of development-related companies were expressing interest in McLaughlin's offer this week, company spokesman Claude Lewis told The Herald that very little, if any, of the firm's losses can be blamed on Halton Hill's decision to oppose the proposed Silver Creek development.

An Ontario Municipal Board hearing at which the proposal will be weighed against objections filed by the town and Halton region is scheduled to resume Nov. 6 in the town council chambers on Trafalgar Road.

Mr. Lewis pointed out that the company's losses, which represents a 44-cent per share decrease in stock value, could have instead been turned into a profit if the Silver Creek development had been given the green light, but the company's Georgetown holdings, he said, are "generally free of debt."

Mr. Lewis reported that the firm's Georgetown holdings, which total 945 acres, represent McLaughlin's second largest single property in Canada. The development of the 361-acre portion designated for the Silver Creek housing subdivision would allow the firm to recover losses sustained at other sites across the country, he said.

Entering into joint venture deals with other companies, Mr. Lewis stresses, is not a form of selling out. Whereas some McLaughlin land, including 2,000 acres in Caledon township, is now being offered for outright sale, he said, most of the firm's holdings are subject to joint financing. In some cases, McLaughlin will simply hand over all administration duties for a given property to the company which buys into such a venture, reinvesting the capital raised into other projects.

Mr. Lewis said that McLaughlin is not interested in selling any Silver Creek property outright unless someone is prepared to offer "an exceptional amount."

When the OMB hearing into the dispute between McLaughlin and the town resumes Nov. 6, one of the key area of argument will probably be the contradictory findings of a series of consultant's reports commissioned during the past two years by both parties.

McLaughlin's Georgetown representative, Ernie Bodnar, charged this week that a report prepared for the town by Currie, Cooper and Lybrand, Toronto management consultants is full of inconsistencies in an apparent attempt to make McLaughlin "look bad."

The report, completed eight months ago but released to the public just last week, warns that if the McLaughlin subdivision is approved, the town and the region will lose $3.2 million in capital funding and municipal and education taxes will jump $778,000 a year over revenue stemming from the development.

Mr. Bodnar pointed out, however, that the report is based upon municipal standards that simply do not exist such as full-time fire department. The report's claim that existing facilities in Georgetown would be unable to handle the additional stress generated by the McLaughlin development's anticipated 7,000 residents is in direct contradiction with other findings, he said.

A recent presentation to town planning board by another developer with Georgetown interests cited a nine-month study by a team of consultants which concluded that Halton region's projections for Georgetown's growth potential are underestimated.

Mr Bodnar added that McLaughlin's own studies have shown that its development would benefit Georgetown taxpayers, saving them a half mill per year through a development that they would find much more acceptable than the in-filling type of development favored by local planners.

Georgetown ratepayers are currently facing a heavy tax increase because the community's new sewage treatment plant will have excess treatment capacity until residential development can begin, Mr. Bodnar contended. McLaughlin's development would in effect lower the rate by providing assessment, he explained.

$3.2 MILLION IN BORROWING: REPORT

Focal would force tax increase

By LORI TAYLOR
Herald staff writer

If Focal Properties' proposed housing development south of Silver Creek gets the go ahead from the Ontario Municipal Board, Halton will have to borrow $3.2 million to provide services for the development, and the annual tax bill of every taxpayer in Halton Hills will increase by almost 10 per cent to pay for the operating costs of the municipal services.

These figures are from an updated version of the Currie, Coopers and Lybrand report on the projected financial impact of the Focal Properties development on the town of Halton Hills. The report was commissioned by the town in 1976, and was updated in 1977.

The report estimates the cost of providing local and regional services for the development. Much of the report deals with adjustments in cost necessary because of the location and design of the development. Because of the isolation of the development from the rest of the town, and the fact that it is constructed in two sections, most neighborhood services must be duplicated, and many facilities of a community nature would be required to serve the projected population of 7,000 in the development.

The total capital cost for regional and local services to the development is estimated at $7,630,875. The revenues available from levies add up to a total of $3,454,000, leaving a shortfall of $3,241,408. This amount would have to be raised over and above existing levies, the report says and this would raise the town's debt assessment ratio to 3.25 per cent from 2.57 per cent.

The annual operating costs for local and regional services *to the development are* estimated at $1,163,432, with revenues estimated at $474,832. The resulting shortfall of $688,600 would be offset slightly by grants, but the region and town would still be left with an annual cost burden of $574,136. This would have to be financed by an increase in the mill rate.

Original estimates concluded that the Focal Properties development would take up 70 per cent of the future sewage capacity available for the town of Georgetown. This figure has now been revised to 85 per cent. The report says that, assigning all this sewage capacity to a residential development *would cost the town* money, since if it were given over to industrial development, the resulting assessment would be higher.

If the sewage capacity required by the housing development were to be allocated to industrial enterprises, the result would be an increase of $5,890,000 in assessment. Using the 1976 mill rates, this would generate and additional $590,224 for local purposes.

Since 50 per cent of municipal expenditures are for social purposes, which aren't needed for an industrial development, the report says, about 50 per cent of the new tax revenue would be net *gain. The increased assess*ment would also increase the town's contribution to for regional purposes by generating revenue of $263,016, of which $131,508 would be provided for non-industry-related services. This net contribution would benefit all the local governments in the region because of equalized assessment, the report says.

One of the areas which would be most affected by the proposed development is fire protection in the former town of Georgetown. Both the fire chief and the Ontario Fire Marshal's office agree that because of the nature of the development and the fact that most of its residents *would likely be commuters,* it would be difficult to find sufficient volunteers to be on duty during the day time. It would therefore be necessary to have six full-time firefighters to staff each of the two sub-stations which would be needed to give the development adequate protection.

The department would also need another deputy chief, due to the influx of 7,000 people. It is thought, however, that it might be possible to get together a volunteer force of sufficient numbers to take over during the evening and at night.

Although Georgetown is not serviced by public transit it is anticipated that by the time the population of the area approaches 30,000 the town will be operating a public transit system. As a result of the location of the Silver Creek development, it would cost an additional $60,000 in the annual municipal operating deficit to provide bus service to Silver Creek. The incremental cost can be solely attributed to the 7,000 residents in the development at a per capita *cost of $8.57 the report says.*

The breakdown of capital expenditures by the town to service the Focal Properties development is as follows: general administration, $93,000, fire protection, $545,000; transportation (roads), $2,100,000; parks and recreation, $1,564,170; and library facilities, $189,000.

The breakdown of capital expenditures by the region to service the development is: roadways, $840,000; hospital, $226,845, sewage, $1,687,000; police, $70,000; administration, $70,000; home for the aged, $108,360; and waste disposal, $137,200.

Approval for expansion, but firm cautious

Plans for the expansion of the Georgetown Racquet Club on Armstrong Avenue were approved by council Monday, but not before a civil agreement between the club and a neighboring industry was drafted to ensure that no problems arise in the future.

Williams Manderson, solicitor for the club, had to convince council that club members will have no objections to the occasion emission of pungent odors from nearby Curwood Packaging (Canada) Ltd. while they are playing tennis on the club's soon to be built twin courts.

Donald Anderson, general manager of Curwood Packaging, sent solicitor Herbert Arnold to explain to council how he had expressly warned about a possible future conflict between the two operations at a 1974 Ontario Municipal Board (OMB) hearing where the original proposal to build the racquet club was approved.

Fearing future confrontations with the club executive members over the plant fumes, Mr. Arnold asked council to abide by its own bylaw which he interpreted to mean that the club site could be used for no other purpose except than for squash, an indoor sport.

Brandishing the support of three other neighboring industries for the club's plans, Mr. Manderson explained that the club has operated as a limited membership private squash centre for the past four years without having ever made a complaint about problems with nearby industrial plants.

Recently, he said, "considerable pressure" from the club's all-male membership, and members' wives have prompted the club to propose the expansion of its facilities. Two outdoor tennis courts were approved by the club for construction in an adjacent vacant field, he said, before town staff discovered that a building permit would be needed for the expansion, contrary to what the club had previously been informed.

Council was informed through its solicitor and clerk-administrator Ken Richardson that the expansion proposal has since won the endorsement of the town engineer and can proceed if council so decides.

Although Mr. Manderson readily admitted that the club is aware it is "intruding" into an industrial area and is content that any major incompatibilities will be overlooked, Mr. Arnold warned council that it would be encouraging disputes if it approved the expansion.

The plant's packaging process, he explained, requires some emmission of alcohol-base odors which, while not considered pollutants, may be "offensive to some". Mr. Arnold recalled a ruling by the OMB chairman who heard objections by some ten industries to the original racquet club proposal in 1974, in which squash was designated as the sole intended use of the approved club site.

Mr. Anderson predicted at that hearing, Mr. Arnold reported, that sooner or later the club would want to build tennis courts, and complaints about his plant's odorous emmissions would commence. Mr. Arnold contended that the tennis courts proposed by the club cannot be considered an "accessory use" to the club facilities, but Mr. Manderson countered that the town's public tennis courts off highway 7, which also project into an industrial area, are considered an accessory use to Gordon Alcott Memorial Arena.

Mr. Manderson added that, rather than restricting its members to indoor activities at the squash centre, the racquet club has held frequent outdoor events, including picnics and cross-country skiing.

In response to a suggestion by Coun. George Maltby, Mr. Manderson claimed there would be no difficulty in coming to an agreement with Curwood Packaging by which no complaints would be made regarding unpleasant odors emanating from the plant. Council declined to include such an agreement in its resolution to approve the club's plans, since, as Mr. Richardson pointed out, any adjudication of a dispute that might arise would place the town in a difficult position.

Car reconditioning plant draws favorable response

Plans for the construction of what could be Canada's only automobile reconditioning plant on Steeles Avenue near Halton Hills' southern boundary were unveiled before the planning board July 11. The proposal, which drew favorable responses from some board members, was referred to the planning department for further study.

Arndt-Palmer International Inc. had applied to the town for a zoning bylaw amendment that would allow the heavy industrial use of a presently agricultural 80-acre site on the fifth concession.

The site, already being held for the Canadian-owned company by Randy Construction Co. Ltd. an Robert Kowal Investments Ltd., has been trimmed by some 28 acres to accommodate Ontario's Hydro's planned 500,000-volt transmission corridor.

The remaining 52.5 acres, according to company agent Andrew Orr and president Frites Ten-Hope, would be occupied by a 20,000-square foot, single-storey industrial plant and a massive parking lot for the storage of cars that have been refurbished in the plant.

Mr. Orr explained that the company currently has a contract with Chrysler Corporation to repaint and recondition recent model cars that have been slightly damaged, usually while leased to rental agencies at Toronto International airport.

Plans call for the initial development of a 20-acre portion of the site, which is at present partially farmed and partially vacant, with the remainder to be developed as business increases. Between 25 and 30 people would be employed in the plant at the beginning, Mr. Orr said. All cars repaired in the plant would be stored in the lot for private auction at a later date.

Mr. Orr urged the board to reach a decision on the proposal as soon as possible, explaining that the company's lease on the expensively-priced land expires in November, 1979.

Approval from the provincial ministry of housing and the Ontario Municipal Board is not expected to be granted before November of this year, he said, and it is hoped that construction can start on the plant early next year.

Mr. Ten-Hope stressed that the cars being refurbished at his plant would be no older than six months and those with more than $400 worth of damage would not be accepted. The operation will not become a "junkyard", he said.

At another location, Mr. Ten-Hope added, the company handled some 2,500 Chrysler cars last winter, most of which were driven to the site individually from rental agencies and some of which were transported by trailer from Ottawa.

The proposal drew immediate support from Councillors Pat Patterson and Pete Pomeroy, who cited Halton Hills' need for new industry and gave their tentative approval to the choice of site.

Board chairman Roy Booth warned the company representatives to take the plant's close proximity to high-voltage hydro towers into consideration while planning the project in case a problem arises with voltage build-up in the cars parked in the lot.

Contract awarded

OTTAWA Bureau—Varian Associates Ltd. of Halton Hills has won a $65,814 federal contract to provide the defence department with electron tubes, the department of supply and services has announced.

At the same time, the department announced the award of another contract to Park Thermal Ltd., also of Halton Hills, which has agreed to provide the Canadian International Development Agency with $43,328 worth of metal heat treating equipment.