

Council debate over full lost recovery philosophy

The Town's proposed new move to full cost recovery – a philosophy to make growth pay for itself through permit fees – may discourage the industrial/commercial/residential development that the Town is trying to attract, according to Regional/Ward Two Councillor Jane Fogal and Acton Councillor Mike O'Leary.

Last week, Fogal convinced her council colleagues to reduce the building permit fee for multi-storey office shells to match the one-story plaza shell rate – \$10.68 per square metre, not \$14.29. Fogal said she supports making development pay for itself, but the Town's proposed rates are going up to the "high end" when compared to other GTA municipalities, except Toronto and Oakville.

"You can float your fees

up to a higher level when there's a lot of demand for something... but when I look at multi-office shell, it looks like we've got no demand," Fogal said, adding that communities like Toronto and Milton can increase their rates for housing permits, because there is great demand for it. She said the change won't affect the Town's bottom line and when the Town matures, they can put the building permit fees up.

Mayor Rick Bonnette concurred with Fogal, and noted that five years ago there was a shortage of doctors and professional office space, which led to development of the Georgetown Medical Centre on Trafalgar Road. "I think we'd be discouraging (professional space) by coming in with new rates," Bonnette said.

Acton Councillor Mike O'Leary raised concerns



GIVING THANKS: In just a few hours on Saturday, these Rockwood kids, clockwise from upper right, Skylar Lazenby, Sawyer Lazenby, Ryan McCarl, Zack McCarl and Braeden Lazenby – collected over 300-pounds of food from generous donators for a Thanksgiving Food Drive. – Submitted photo

with the proposed user fees for industrial warehouse building permits, because Milton is the Town's biggest competition with per-square-metre fees of \$5.57, compared to the Town's proposed high of \$8.05.

"Why don't we just put a sign up on the 401 saying 'Milton, this way?' We've already lost some substantial development..." O'Leary said, adding with buildings up to 500,000-square-feet, they're talking about "an awful lot of money." He said at the very least, the Town should match Milton's industrial building permit fees. "If we're ever going to make the 401-industrial corridor successful, we have to be competitive –

that's the bottom line."

CAO Dennis Perlin said the whole principal of the Building Code Act is to have full cost recovery for building department fees, and the Town could be seen as discriminatory if it deviated from that policy in any one class. "Now we're starting to ad hoc it," Perlin said. He said the proposed fees are based on full cost recovery, and if councillors want to look at reducing fees, they should look at ways to reduce services so that the fees could come down, and they wouldn't have to have taxpayers subsidize the cost of development.

In support of a lower building permit fee for office space, but not industrial, Councillor Fogal said

they need to avoid shooting themselves in the foot with the proposed new fee schedule. "If you put yourself out of the market, they (developers) are not going to come, so it's a balancing act when you talk about what the taxpayer is going to pay," Fogal said, adding that in the end, taxes will go up if there aren't businesses to support the Town.

Chris Mills, the Town's Director of Infrastructure Services and Town Engineer said the Building Code Act gives municipalities the ability to charge 100 per cent cost recovery for building permits fees, but does not require it to do so. Any service costs not covered by the fees would come from another source, staff said, typically from property taxes.

Georgetown Councillor Ann Lawlor questioned whether the next phase of the consultant's rates and fees review – which will look at recreation and parks and corporate fees – could be more sophisticated and look at performance measures, efficiencies and comparisons. CAO Perlin said

policy decisions about discounts and/or subsidies, like those now offered to people in need signing up for recreation programs, can still be made.

Mayor Bonnette said full cost recovery is a tough decision to make, but they've all repeatedly heard from the public that development must pay for itself. "I don't think its fair for the existing tax base to pick up the tab... this is a leap... it will take courage of this council to support this..." Bonnette said.

Acton Councillor Jon Hurst asked staff to provide a list of which municipalities are at full cost recovery when staff reports back at the end of the phase three analysis. Most of the Town's building permit fees will increase by 6.1 per cent in January – three per cent for inflation and a 3.1 per cent increase. The proposed new rates and fees for development applications, building permits and administrative/corporate applications take effect January 1, 2012.

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