## Development charge decision expected at Region tomorrow

By JASON MISNER

The Champion

Milton Mayor Gord Krantz says Halton's four municipalities risk losing out on big-time tax dollars if a proposal that businesses pay more money to set up shop goes through.

"I predict (some businesses) will walk away," he said.

Pending regional council approval, industrial businesses and retail businesses will have to pay more money based on the size of their building. Called development charges, it's money used to service an area with things like water and sewer pipes. The Region also uses a portion of the money for its own roads, water, sewer and police needs.

Mr. Krantz, opposed to the proposal, thinks Milton wouldn't have seen nearly as much of the 500,000 square-feet of new building space constructed last year if the new bylaw was in effect.

Currently, industrial businesses are offered discounts, which means they pay 50 per cent of the full development charge.

The proposal would see industrial businesses pay 75 per cent of the total charges, and retail full price.

The changes would be phased in and would come fully into effect

January 1, 2004.

It was discussed at the regional level in October, but no formal decision was made. The recommendation was narrowly passed by the Region's administration and finance committee last week, and needs to be ratified by regional council to become official. Regional council will meet tomorrow at 9:30 a.m.

The way development charges works is like this. The Region, the municipality and the school boards charge money to be collected based on the size of a building. That means the Region charges roughly \$4 per square foot and the changes would see developers pay about \$3 of that full price.

A 10,000-square-foot building would generate \$30,000 in development charges, for example.

## Region has missed out on \$9 million: manager

Mark Scinocca, manager of budgets and development financing, said since the discounts were introduced in 1999, the Region has missed out on collecting \$9 million, he said.

The changes would mean the Region stands to collect \$1.7 million between May and next summer that it otherwise wouldn't get. This money will go toward regional services.

Talk of development charges

may not sound terribly exciting, but Ontario municipalities use them as a key selling point to lure businesses. And businesses help keep your local taxes down by paying their fair share.

Some argue the issue of development charges is more a difference in business philosophy, that it doesn't necessarily make or break the decision by a business to locate. But some regional politicians don't want to test the theory.

They fear forcing companies to pay more development charges will force them to go where those costs are cheaper, and seen a means to keep their bottom line down.

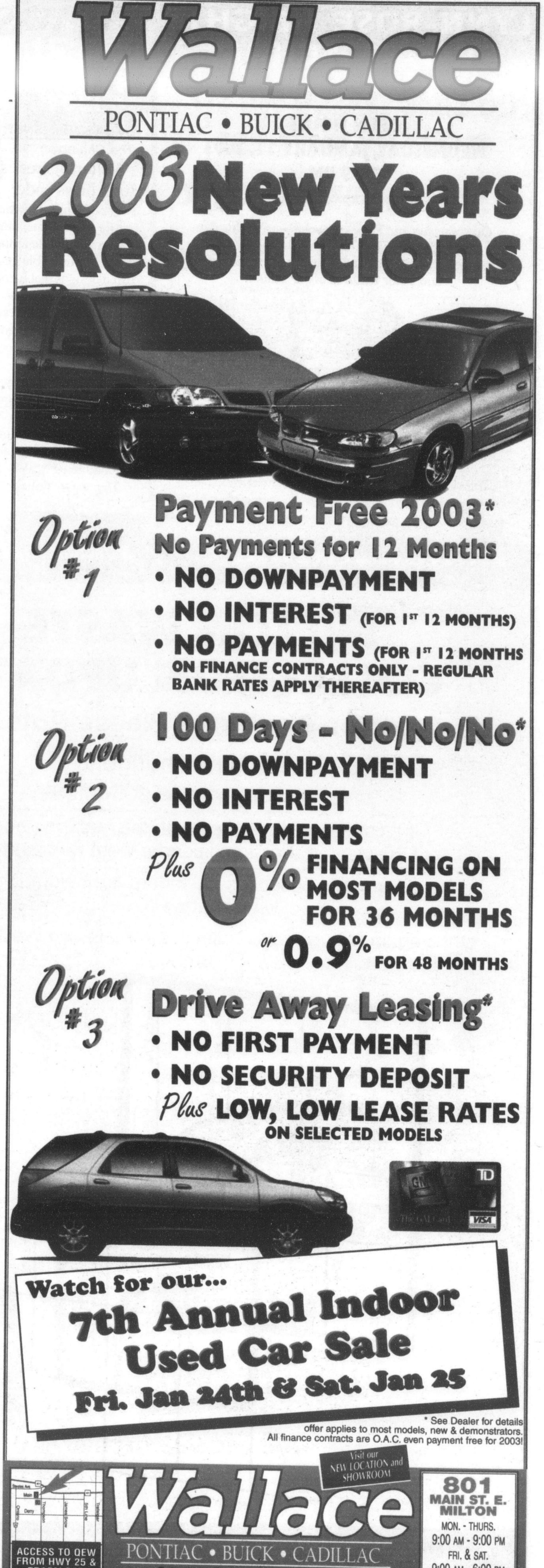
Regional Chairperson Joyce Savoline said she understands that businesses will look at every financial angle to get the best deal for themselves, and she doesn't blame them for that.

But she said if a business decides not to locate here because of the development charges, so be it.

Ms Savoline said the bottom line is this: The Region is missing out on collecting these development charges and the shortfall is being borne on the shoulders of taxpayers who are already facing continued pressures from provincial downloading. "We're not hitting the industrial sector because they're an easy target. But (taxpayers) are saying, 'Woah, we can't handle anymore taxes."

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