Halton could soon have highest DCs in Ontario

Plenty of opposition to proposed development charges hike

By JASON MISNER
The Champion

The development and business communities came to a public meeting Wednesday afternoon carrying a stern but co-operative message — proposed hikes to Halton Region's development charges (DCs) are way too high and they want to continue to work on a compromise.

Close to a dozen delegates took about three hours to tell members of Halton's administration and finance committee that proposed increases to the five-year-old development charge bylaw are too high for their liking. Some questioned the methodology used to come up with rates, but all of the speakers said they wanted to work with regional staff to find a happy medium.

Neil Rodgers, president of Urban Development Institute, Ontario, said the proposed DCs are "substantial and of significant concern to the development industry. We want to ensure to you that we are quite prepared to work in an open and transparent process" to come to a "mutually satisfactory resolution."

> "It is shocking to us to see Peel, York and Durham regions charge less than one-third of what Halton is trying to charge for roads."
>
> DOUG FRANCIS

DCs are costs residential and industrial developers pay a local and regional municipality for growth-related projects like roads, water/sewer mains, fire services and parkland.

Recovering some of that money is crucial to minimizing the impact of capital investment on taxpayers.

Halton is proposing to raise DCs on both residential and non-residential construction for roads as well as for general services that include police, ambulance and services for seniors.

On the residential side, the hike would go up from the current rate of $2,373 per unit built to $7,888, a 232 per cent increase.

On the non-residential side, which includes industrial and commercial development, the current rate would go up from $1.63 per square foot to $5.55 a square foot, a jump of 241 per cent.

The Region has projected that there are more than $939 million worth of road projects budgeted between 2004 and 2021.

Of that, $717.2 million is recoverable from DCs. A portion of the remainder — $148.5 million — would come from taxpayers and other sources, like reserves.

As for capital projects related to general services, including the construction of two new long-term care facilities and costs for police and ambulance vehicles, more than $83 million has been budgeted to be spent between 2004 and 2014.

Of that, $26 million is recoverable from DCs. The rest — $57 million in total — would come from property taxes and other sources. The population, more than 400,000, is expected to exceed 583,000 by 2021.

"It's not because of growth they have to pay for this," said Mark Scinocca, manager of budgets and development financing, in a later interview. "In absence of growth, we would have to provide those kinds of services to them (residents) anyway."

Mr. Scinocca said in a presentation at the committee meeting that the rates have gone up the most on the roads portion of the DCs, accounting for the bulk of the increase.

The reason is costs for roads construction have soared since the DCs bylaw took effect in 1999, as well the Region has taken on responsibility for extra roads uploaded from lower-tier municipalities due to roads rationalization last year and impacts from the Sherwood Survey, a proposed massive residential development on Milton's west side.

"The process is still evolving," Mr. Scinocca said. "We've been through a number of meetings. We understand the impact this is having. We know there is some anxiety out there."

Also, the 25 per cent discount for non-retail development is to be phased out by 2008.

Comments on the proposed hikes can still be submitted to the Region by May 20. A recommendation is scheduled to go before the administration and finance committee June 16 and then to regional council June 23 for ratification.

There will be an appeal period before the new DCs bylaw is to take effect August 31.

Delegates were careful not to sound too alarmist, but cautioned committee members that these proposed increases risk hindering development in Halton and would put the region in a competitive disadvantage compared to nearby jurisdictions. The sticky issue is the huge increase proposed on road costs on DCs.

Concern over potential increase

Doug Francis, president of the Milton Chamber of Commerce, which has 630 members, told the committee that the rates, if passed, would leave Halton with the highest DCs in Ontario. While no business wants to "shirk" their financial responsibilities, he said he's worried about the negative impact it would have on those thinking about setting up shop in Halton. Mr. Francis encouraged that dialogue continue with regional staff regarding the proposed DCs.

"It is shocking to us to see Peel, York and Durham regions charge less than one-third of what Halton is trying to charge for roads," he said. "The last thing we want is to find ourselves in the same position as Toronto, where businesses have fled to other surrounding communities because they couldn't afford to stay there."

Burlington Mayor Rob MacIsaac noted to the committee those businesses in Toronto that are leaving are doing so because property taxes are too high, not because of DCs.

John Alati, representing the North Halton Industrial Landowners Group — encompassing eight or nine industries and a total of 1,000 acres — told the committee there's "a lack of continuity" with lower-tier municipalities while addressing DC changes.

Meanwhile, the Town of Milton is proposing to hike DC rates for residential from $6,509 to $8,067 per unit town-wide and $8,107 for units to be built in the proposed Sherwood Survey area west of town. That represents roughly a 24 per cent increase.

Industrial rates would rise from $2.31 a square foot to $3.04 a square foot town-wide, and $3.16 in Sherwood. That represents roughly a 37 per cent increase.

Town council is expected to pass a new DC bylaw June 7.

Jason Misner can be reached at jmisner@miltoncanadianchampion.com.