DC increase may drive away developers, say companies

By KIM ARNOTT
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Rising development charge rates could make Milton unattractive to commercial and industrial developers, town councillors were warned last week.

The charges, assessed against new developments to help the Town cover growth-related costs, are proposed to rise at the beginning of June when council establishes a new development charge bylaw.

Non-residential development charges, assessed against commercial and industrial projects, are set to rise from $2.31 per square foot to $3.04 per square foot. An additional surcharge of .12 per square foot will apply to future developments in the Sherwood Survey area to help pay for the monitoring of storm water management ponds.

Lawyer Lyn Townsend Renaud, who spoke to council as the representative for three companies owning undeveloped industrial land on the north side of Hwy. 401, said the jump in rates is too much.

While she said her clients are prepared to pay their fair share toward building the infrastructure the town will need to accommodate impending growth, Ms Townsend Renaud suggested residential developers need to be funding more of the total cost.

Residential developers will see their costs rise from $6,509 to $8,067 per unit under the new bylaw, with an additional surcharge of $40 per unit in the Sherwood Survey area.

Development charges are established by totalling the expected cost of necessary new infrastructure such as expanded roads, water and sewer infrastructure, fire service and parkland, then using a formula to allocate those costs to residential and non-residential growth.

Town staff are suggesting a split that would see 60 per cent of eligible costs allocated to the residential sector and 40 per cent allocated to the industrial sector.

But Ms Townsend Renaud said her clients believe a 70-30 split would be more accurate given the type and location of growth expected in Milton over the next five years.

She also noted that the developers also have to pay a "very significant" development charge imposed by Halton Region, on top of the Town's charge.

The total of the charges, along with the educational development charges levied against non-residential development, adds up to $12.76 per square foot for non-residential developments.

"(The Halton charge) will single-handedly take Milton and other communities off the map in terms of being able to compete in non-residential," warned Ms Townsend Renaud. "Halton is just off the scale in terms of anything we've seen elsewhere."

A lawyer representing developers in the Sherwood Survey, where development is expected to be primarily residential, urged councillors to retain the current 60-40 split.

However, he suggested council could discount development charges to attract non-residential development.

Under provincial legislation, municipalities can choose to discount development charges, which would shift a portion of the cost of necessary capital costs onto the property tax base.

However, one resident asked councillors not to consider discounting any development charges, noting that the area offered many competitive advantages outside of costs.

"I don't really understand why people wouldn't be willing to pay the cost of locating in an excellent area like Milton and Halton region," he said.

Although the Town's administration and planning committee approved the development charge report at the meeting last week, it also asked staff to continue to meet with interested parties prior to the issue appearing before town council June 7.