

Growth must pay for itself, says Carr

• from NO on page 1 the shortfall.

Halton Regional Chair Gary Carr said the decision to only pay GO what's collected from developers is part of regional council's stance that growth should pay for itself.

The alternative is to make existing taxpayers pay the outstanding invoices, "and I don't think that's fair," explained Carr.

Councils at the other 905-area municipalities have also passed similar resolutions to Halton, and stopped paying in full GO's invoices over approximately the past two years, said financial staff at the municipalities.

According to an allocation formula passed by the GTSB in June 2000, the four regions, along with Hamilton and Toronto, are supposed to jointly pay one-third of the cost of GO's capital expansion budget for projects in those municipalities, with the provincial and federal governments picking up the other two-thirds. Toronto is to pick up 44 per cent of the cost of that one-third, with the 905 municipalities picking up the other 56 per cent based on a complex formula. Halton's percentage is 11 per cent while Hamilton's is the lowest at 2.8 per cent.

Agreement reached

From 2001 to 2004, Toronto refused to pay GO, arguing it never agreed to the GTSB funding formula. The City and the Province reached an agreement on the issue with Toronto repaying its \$32 million in arrears in late 2004. Since 2005, Toronto has paid GO approximately \$20 million a year, less than the 44 per cent of the municipalities' one-third share, going by this year's growth capital budget.

Asked to confirm details of this arrangement, Ministry of Transportation spokesperson Emna Dhahak wrote in an e-mail Toronto will meet its full GO Transit financial obligation based on the 10-year growth capital plan from 2004/05 to 2013/14 rather than the updated expansion budgets. She said the percentages haven't changed.

Dhahak refused to specify what the total shortfall has been for each of the municipalities since 2001, but said GO's capital expansion plans wouldn't suffer.

"The Province provided temporary funding and will work with funding partners to address any shortfalls," Dhahak wrote.

The federal government doesn't cover a full third of GO's annual growth capital expansion budget. Instead Dhahak said the upper government is helping to pay for the eight-year, \$1 billion GO TRIP cap-

ital expansion program launched in 1994, which forms part of GO's growth capital plan. Canada's \$385 million contribution for GO TRIP comes from the Canada Strategic Infrastructure Fund, said Eric Collard, a spokesperson for Transport Canada.

In an email, Collard wrote the Canadian government anticipates spending nearly \$70 million in the 2008-09 fiscal year to support GO. To date, the federal government has provided over \$127 million to support improvements under GO TRIP, he added.

The 905 regions kept current in their accounts with GO for many years until finding that more and more property taxes were needed to pay their shares. In late 2006, the regions' councils said "enough," and started paying GO only what they collected in development charges and no more.

Recouping cost major problem

At issue for all the 905 municipalities is the inability to raise development charges to recoup the full cost of their share of GO's growth capital program.

In 2001, the four regions dutifully passed development charges bylaws for GO Transit, to cover their percentages of what was then a 10-year, \$1 billion expansion plan.

However, GO's growth capital budget has been greatly expanded since that time, but the municipalities say they are unable to revise the development charges they collect for GO to make up the difference. The Province has officially extended their existing development charges by-laws many times, most recently to 2010.

The four regions and the two cities have jointly proposed that the Province allow the municipalities to impose a region-wide GO Transit development charge.

However, as there's no Greater Toronto regional government that can enact such a by-law, the Province would need to amend provincial legislation, including the 1997 Development Charges Act.

Ontario Premier Dalton McGuinty ruled that out in a fall speech, when he told the GTA developers group BILD there would be no changes to the DCs Act in this term of government.

A source at the Ministry of Municipal Affairs and Housing said the issue of GO Transit development charges wasn't dealt with as part of the Provincial-Municipal Fiscal and Service Delivery Review completed last year.

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