



PHOTO BY SCOTT GARDNER/THE HAMILTON SPECTATOR

The Ontario government's Places to Grow plan was designed to curb sprawl, but also means municipalities have to build new infrastructure.

## Growth targets put strain on municipal budgets

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### CONCRETE PROBLEMS

How to fix our crumbling infrastructure

thinking are key to going forward, he said.

But the issue is not just about funding. There is much tug-and-pull over the place and responsibility of developers when a community grows.

One touchy element is the cost of projects associated with growth are supposed to come from charges paid by developers. But those fees or taxes paid by developers on each new commercial, industrial or housing unit they build, are increasingly inadequate.

A report released by the Residential & Civil Construction Alliance of Ontario in March said government levies now account for up to 30 per cent of the cost of new housing in the GTA, proposing something needs to change to facilitate growth.

*'The reality is, with 150,000 people moving in over the next 20 years, I don't think we can rely on the traditional funding models.'*

"You've got a good plan here and it makes a lot of sense, but you need to put infrastructure where you'll get the best bang for the buck," alliance executive director Andy Manahan said.

There is a limit to how much the new home market can absorb, he said.

Mr. Manahan agrees with municipal leaders that national programs for things such as transit and cities are crucial and program-based, piecemeal funding won't cut the mustard in the future.

Also difficult for municipalities is revisions to the Development Charges Act by the former Mike Harris government mean many projects are exempt from the charges. So, if a

growing municipality needs a new hospital or city hall, taxpayers have to pay.

Municipalities have repeatedly asked Premier Dalton McGuinty to revise the act, but he has made it clear it is not in his plans.

Progressive Conservative Leader Tim Hudak has also publicly said revisions are not on his radar, but that doesn't mean there won't be lobbying for change over the next few months, said Halton chairperson Mr. Carr, a former Tory MPP.

His municipality of Halton is among the fastest growing in the country and councillors are not prepared to meet mandated growth targets if they don't get help paying for that new population's needs.

"We're not going to have the taxpayers of Halton pay the costs while the developers make the profit," especially when home sales are brisk, he said.

Home building is also booming in York Region, where the region has racked up a debt of \$1.4 billion to build infrastructure it knows is needed while counting on development charges to pay for it later.

That's how the region paid its share of massive projects, such as the \$2 billion Spadina subway extension and York Durham sewage system, the final phase of which cost more than \$500 million.

Markham is driving growth in York Region, much as Milton is in Halton, and Mayor Frank Scarpitti is as serious as Mr. Carr about how much growth his booming municipality can handle if funding isn't forthcoming.

"The reality is, with 150,000 people mov-



FILE PHOTO

Ontario's swelling population makes it harder than ever for municipalities to find money for roads, sewers, schools and other needed infrastructure.

ing in over the next 20 years, I don't think we can rely on the traditional funding models," he said.

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Mr. Scarpitti proudly touts the three straight tax freezes his council has passed on to residents, but he also knows there are problems looming for Markham and York Region, on whose councils he sits.

While the region has taken on record amounts of debt, Mr. Scarpitti is confident the money will be paid back, noting the region's interest charges get passed along to

developers.

Whether it's the introduction of private-public partnerships or some other mechanism, something will have to change or the growth will occur without infrastructure being ready, he said.

Markham is developing a downtown called Markham Centre, the spine of which will be a rapid transit bus system. Without it, the goal of creating a walkable community in which residents are not dependent on cars, won't come to pass.

An even more ambitious project that will create Manhattan-style densities and a new kind of suburban community on a plot near Yonge Street and Hwy. 7 can only move forward if someone finds the nearly \$3 billion to extend the Toronto Transit Commission's Yonge subway to the area.

Mr. Manahan, the Ontario construction association director, said the wave of growth is clearly already coming ashore, even if the funding hasn't been settled. If new home and business costs are driven up, people will move further out, making the live/work/play communities envisioned by Places to Grow much harder to achieve, he said.