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Development Charges

Contractors head to Barrie city hall to protest rising development charges

Increases will hurt development and jobs, says Barrie Construction Association president

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Proposed hikes in ICI development charges in Barrie have local construction and development officials headed to city hall tonight to make their case for smaller increases.

“The problem with the ICI increases is that on the industrial side alone, the increase to the development charge rate is 131 per cent,” explains Scott Ward, president of the Barrie Construction Association [BCA]. “These increases are astronomical.”

Barrie council will be collecting public feedback and questions about its recently completed development charge background study tonight. A proposed development charge of \$17.64 per square foot for all ICI rates would result in a 48 per cent increase over the current commercial rate of \$11.88 per sq. ft., a 76 per cent increase over the institutional rate of \$10.05 per sq. ft. and a 131 per cent increase over the industrial rate of \$7.64.

“With fears of a slowing economy in Ontario, these rates are one sure positive way to make growth stop,” says Ward. “These rates will make it a lot harder to attract developers. Maybe they can phase-in the increases.”

For large proposed redevelopment projects in the area, like the \$200 million, 123-acre former Molson plant site, the increased charges could create an additional \$14 million bill for developers, notes Ward.

BCA has joined forces with prominent local developers to express their concerns with the proposed development charges.

“We have 350 members companies, which in turn represent thousands of workers, staff and

families that could be effected by these large increases causing a slowdown,” says Ward.

The study on which the increased development charges are based was prepared by Watson and Associates Economists Ltd. It includes forecasts of development activity using updated employment and floor area projections by land use in Barrie. These projections were ones it had prepared for the city over the last two years. Barrie planning staff updated the city’s inventory of vacant ICI lands as of Dec. 31, 2007 to assist in the forecasts as well. The study anticipates that the build-out of Barrie’s non-residential lands will not occur until beyond 2023.

Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario, says Ontario’s construction industry will likely encounter more of these large development charge increases as municipalities grapple with growth and securing long-term, sustainable funding for infrastructure needs.