

Uxbridge pit expansion proposed

## AGGREGATE COMPATIBILITY

By Edward LaRusic

As Uxbridge council struggles with responding to an application to expand an existing aggregate operation without triggering a costly OMB hearing, residents say that the proposal is incompatible with nearby homes.

Uxbridge mayor **Gerri Lynn O'Connor** told *NRU* that it was a “packed house” at the public meeting January 19 to hear about **SASE Aggregate Ltd.**’s proposed pit expansion at the southeast corner of Concession 4 and Wagg Road in the Oak Ridges Moraine.

“This [existing] pit has been there all my life, and I’m 70 plus,” said O’Connor. Uxbridge operates 43 licensed pits—including SASE’s—and she said that makes it challenging to respond positively to new applications.

O’Connor said that residents expressed concerns about noise, dust, diesel fumes, impacts on the water table, truck traffic, hours of operation and water runoff. All typical concerns with aggregate applications.

O’Connor said there was a good chance that this expansion proposal will end up at the **Ontario Municipal Board**.

“One way or the other, the residents will probably look at [appealing it to the OMB] if council [was to

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Development charges vs. user fees

## PAYING FOR INFRASTRUCTURE

By Leah Wong

With the population of the GTHA expected to surpass 9.4 million in 2041, local municipalities are faced with the challenge of ensuring water and wastewater infrastructure meets the needs of growing populations.

Municipalities have been using a growth pays for growth model when it comes to development fees, which has kept cost of water for municipal residents low in Ontario.

“Water has been undervalued in Ontario,” Durham Region environmental services director **John Presta** told attendees of a **Ryerson University** Centre for Urban Research and Land Development policy seminar Monday. “Ontario has enjoyed very low water rates historically.”

While residents have enjoyed low rates when it comes to water, members of the development industry say development charges are increasing the price of housing in the GTHA.

A report from Centre for Urban Research and Land Development senior research fellow **Frank Clayton** proposes changing the way municipalities in Ontario price water and wastewater fees. Clayton suggests there are economic benefits to paying for growth-related water and

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# PAYING FOR INFRASTRUCTURE

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wastewater infrastructure through user fees rather than development charges.

On Monday the centre hosted a policy seminar discussing the future of Ontario’s municipal water and wastewater utilities and funding options for growth-related infrastructure. Presta and Clayton participated in a panel discussion with EPCOR water services senior vice president **Stephen Stanley**, **Building Industry and Land Development Association** president and CEO **Bryan Tuckey** and **StrategyCorp** senior consultant **Chris Loreto**.

“We need first time homeowners to be able to purchase homes,” Tuckey said. Under the current DC model new homeowners pay for the capital costs of expanding systems and their share of the cost to upgrade existing infrastructure. “Essentially they’re being [charged twice].”

While Ontario finances growth-related water and wastewater infrastructure through DCs, other jurisdictions take a different approach. Clayton argues that DCs are not the appropriate way to pay for growth-related infrastructure and that Ontario should treat water in the same way as its other utilities, which have equalized costs across the board.

Edmonton is one municipality that takes a different approach—funding growth-related water and wastewater infrastructure through user charges and developer contributions, respectively—and treats water more like every other utility. EPCOR provides drinking water and wastewater treatment services to Edmonton residents.

EPCOR operates as a commercial entity and is governed by an independent board of directors, it is wholly owned by the City of Edmonton. In 2013 EPCOR paid the city a \$141-million dividend. While Edmonton city council is responsible for board appointments, councillors are not to sit on the utility’s board.

While the majority of EPCOR’s income comes from outside Edmonton, Stanley says it operates in a similar way to utility companies in Ontario such as Toronto Hydro.

“We’re owned by a municipality but we run like a business,” said Stanley.

As EPCOR is a municipally-owned utility company, Stanley says this proves the idea of funding growth-related infrastructure through user fees is not a public versus private issue.

Clayton’s report recommends municipalities phase out water and sewer development charges over the next five years and create independent utilities to fund and operate these services instead. The independent utilities could be municipally-owned

and operated at an arms-length like EPCOR, or be sold off to private corporations.

“If it’s operated like a business the pricing—or user charges—for water and wastewater should cover all operating costs and capital costs,” said Clayton. Funding it this way would create more equity between new and existing customers.

Though EPCOR has shown there are benefits to treating water like other utilities, it’s unclear how much user fees would increase if municipalities stopped funding growth-related infrastructure through development charges.

In Durham Region, residents pay about \$2.35 per day for water. Presta said if Durham were to stop funding new water and wastewater infrastructure through development charges there would be a significant increase in user fees. While water and sanitary sewer rates will be increasing by 5.3 and 4.8 per cent per year, respectively, Presta said without development charges rates would likely increase by 29 to 112 per cent in the next five years.

Loreto said he doesn’t see governments coming to the table willingly to open the discussion on the funding of water and wastewater infrastructure. While there is more strain on municipal systems due to growth and the impacts of climate change, water is an issue that isn’t on the public radar.

“Our speculation at StrategyCorp is that it will become more of an issue for governments to look at,” said Loreto. “If I had to guess at this point, it will take some sort of catastrophic [weather] event that forces governments to come to the table.”

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