

Suburbs levy deal pleases no one

Aldermen ready to tinker with accord

BY JASON MARKUSOFF, CALGARY HERALD APRIL 21, 2011

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Several aldermen showed they're willing to alter the agreement that would double developers' suburban growth charges, despite requests from both industry and city managers not to modify the complex deal they spent months negotiating.

It's portrayed as a classic compromise: the developers frustrated the rates are rising by about \$8,000 a home and city brass frustrated they won't fully cover the costs of growth on Calgary's fringes.

However, aldermen who want the levies hiked even further pushed Wednesday to shorten the deal to three years from five, with an eye to consult more and readjust them sooner.

"We will be out of step in five years if it comes to that," Ald. Brian Pincott said.

The council committee narrowly voted against the idea, arguing council wouldn't change parts of a negotiated labour contract.

But it will get a second airing at council next month.

Ald. Diane Colley-Urquhart had mused about making it a two-year deal to allow more future consultation, but she wasn't around for the evening vote on a shortened duration.

The opening remarks from city general manager of planning David Watson made her fret that the public hearing on the thorny issue was an "exercise in futility.

"That's the impression I get," said Ald. Diane Colley-Urquhart.

"You worked hard at it for (nine) months, so leave it alone."

Mayor Naheed Nenshi, who has argued the city's low levies accelerate its sprawl, said council should feel free to modify the agreement.

"Of course it is. It's our job," he said. "Otherwise, we'd just be a rubber stamp, now wouldn't we?"

Watson told a council committee that Calgary's charges per residential lot are less than almost any other major Canadian city except Victoria. The proposed hikes would vault the city past Edmonton, Red

Deer and Toronto to the country's higher echelons, but still behind suburban Ottawa, Surrey, B.C. and Brampton, Ont.

However, it would still not cover the full costs of suburban growth.

Watson reasoned it's not only new suburban dwellers who benefit from the new roads, transit service and recreation facilities in new communities.

The mayor told reporters he is uncomfortable the city plans to recover only half the costs of water and sewer services for new communities. That's one area where the costly new facilities have saddled Calgary with massive debt, raising the spectre of skyrocketing utility rates for all homeowners and businesses.

Executives with the main developers' association expressed frustration they're being asked to pay for the Pine Creek water treatment plant, which went over budget, and to offset the costs for much of the proposed airport tunnel. However, they are satisfied the five-year deal will work for them.

But those from outside industry urged council to take its fair share from the sprawling outskirts.

"The only question in my mind: is it going far enough?" asked school teacher Brent McConnell.

Annie MacInnis of Kensington's business association urged council to stop making inner-city districts' tax dollars subsidize growth on the fringes while their own infrastructure crumbles.

"My Kensington sidewalks are patchworks of holes," she said.

The city is, however, also laying the groundwork for a new system of levies to recoup the cost of growth for redevelopment projects in Kensington and all other existing neighbourhoods, like the downtown core and Beltline currently have.

Some smaller developer groups that represent office, industrial and retail sectors complained the levies would further harm the city's competitive edge in the region, and were arranged without their input.

"We remain at the kiddie table," said William Partridge of the Building Owners and Managers Association, which urged the city to delay passing the deal and consult further.

Ald. Gian-Carlo Carra told another group's president that their complaints shouldn't have come at the end of these deliberations.

"It's amazing that your association wasn't clamouring for a spot at the table nine months ago," he said.

But the mayor said he's not sure why Calgary lets one group help set the rates that all developers pay, when the city doesn't do that for matters like the business tax.

The committee did agree to start planning for how it crafts principles for the next developer agreement - be it five years from now, or less.

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