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# Growth Charges: All Winnipeggers have a stake

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The issue of development fees has made headlines again as the consultant hired to take on another study of growth financing in Winnipeg, Hemson Consulting Ltd., completed its second and last engagement session on August 18. The primary purpose of the engagement was to educate stakeholders on the method for calculating growth charges. Key stakeholders have been defined as primarily Winnipeg's development industry. The reason for this was stated a number of times, by City representatives, Hemson staff, and participants themselves: developers will be the ones seeing and dealing with growth costs most directly.

While it is true that the development industry needs to understand and be part of the discussion on such charges, the premise that all citizens are not directly affected is fundamentally flawed. Neither Hemson Consulting nor the public service are responsible for the tight timelines and limited scope of the study. City Council needs to provide all Winnipeggers with more information so they may knowledgeably engage with their elected representatives on the issue of growth charges. All Winnipeggers are dealing with the repercussions of development which does not pay its fair share and leaves tax payers to cover the costs from general revenue.

Winnipeg's crumbling roads clearly demonstrate the impacts of unsustainable, and unfunded, growth. But that is just the tip of the iceberg. Social policy groups, community based organizations, recreation and neighbourhood renewal corporations all know that the first response from any city councillor or bureaucrat when pushing for better or expanded social programming is "we have no money." While cities like Ottawa, Toronto, and Vancouver are creating complete communities through charging new developments some of the cost of creating affordable housing, Winnipeg is charging not-for-profit housing providers property taxes because it can't afford to waive them. The city could choose to apply growth charges in a way that fosters complete and equitable communities, waiving or reducing fees for infill development in the inner city, affordable housing, and transit oriented development.

Winnipeg is one of the only cities in Canada that does not charge new developments for the costs of regional infrastructure. Currently, agreements are negotiated on a case-by-case basis that require developers to provide, or pay for, all of the infrastructure within a site, as well as some boundary roads, intersections, and drainage infrastructure. Larger developments must undertake a cost-benefit study to calculate how property taxes from the development will support water, sewer, regional roads, police, community services, and all of the other services a city provides for its residents. There

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is, however, no consistent process in determining the cost of increased pressure on existing infrastructure and services or in establishing the annual per kilometre cost of maintaining the new roads, sewer lines, etc. While the initial installation of services is accounted for, the long-term and regional-scale impacts of differing types of development may not be. Recently, the public debate regarding the upkeep of landscaping in Waverly West demonstrated the flaws in this process. Even if property taxes can hypothetically pay for the costs, budget pressures across the city make it hard to justify spending disproportionately more in some neighbourhoods than others.

Infrastructure in low-density communities, such as those that have been built in the last twenty years, cost more to develop, maintain and service. The effects are felt in a number of areas. Transit cannot be efficiently provided at low-densities, giving residents few alternatives to driving and increasing the demand on roads. More sewer and water infrastructure are required, which even if the upfront costs are paid for, ultimately become the responsibility of the City. More emergency vehicles are required to keep response times similar to that in denser areas. New schools or bussing programs may be required for students. While the ad-hoc system of developer agreements attempts to recoup some of these costs, they do not account for the city-wide and long-term impacts of these developments.

The data making the case for changing Winnipeg's existing development agreement framework, included in Hemson Consulting Ltd.'s initial report, are striking: When compared to similar Canadian cities, Winnipeg spends far below average on capital costs ($327 per capita compared with $876 per capita); Winnipeg has an infrastructure deficit of at least $7 billion dollars.

This is not to say that developers are responsible for Winnipeg's current financial situation; growth charges are not a panacea. Urban sprawl has major health and environmental costs which must be considered when approving new developments, whether the capital costs of this growth are paid for or not. Developers need a fair and predictable environment in which to do business, but it should not be up to developers to decide how and where we grow as a city, how we provide for services for our residents, or how we create a more equitable city. Growth charges are an important tool that the city, and city planners, could use to better steer development towards the type of dense, inclusive, complete communities called for in OurWinnipeg. They are one part of a puzzle in reducing Winnipeg's spiralling infrastructure deficit. And because these things matter to all Winnipeggers, they should be engaged in the important process of deciding how growth charges will be established.

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