Guest Column

Growth is coming to Peterborough: Can we afford it?

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Suburban development is seen from the air over the north end of Peterborough in this 2013 photo. CLIFFORD SKARSTEDT/EXAMINER FILE PHOTO

Peterborough will soon feel the pressures of an expanding Greater Toronto Area. How can we best prepare for this opportunity for growth?

Most important will be to grow in a way that is affordable, now and for our children. How we choose to grow impacts the city's long-term operating costs -- most of which are paid for by property taxes.

So, what are our choices, the complete costs, and how will we pay?

Neighbourhoods need a lot of things. In addition to roads, water, sewer pipes, parks and street lights, they also require services like police, paramedics, recreation centres, libraries and other social infrastructure. Development charges paid by developers don't cover these costs.

Funding for these services is spread too thin in suburbs where fewer residents and businesses are paying taxes. It costs a lot of money to install infrastructure; it costs even more to maintain it.

The fact is that low-density suburban development does not pay for itself. Cities like Edmonton, Calgary, London, and Halifax are crunching the numbers and discovering the costs of continued sprawl, even with development charges, will far outstrip their financial means.

London found that over a 50-year period, urban fringe developments, or suburbs, would see capital costs $2.7 billion higher, and operating costs about $1.7 billion higher, compared to a compact growth scenario.

The Ottawa-based Smart Prosperity Institute has declared the "hidden costs of sprawl" will cripple our cities. Calgary Mayor Naheed Nenshi coined the term the "sprawl subsidy." The Federation of Canadian Municipalities has warned municipal infrastructure is on the brink of "collapse" and in need of $123 billion, a price tag that is growing by $2 billion annually.

Even Mississauga, that hot-bed of suburban development, can't afford these costs. "Staff has given us all kinds of financial statements proving development is not paying its way," declared former Mississauga Mayor Hazel McCallion in 2012. "We are going into debt in a big way at the Region of Peel."

And these numbers don't include the human toll. We now know that car-centric planning is also bad for our health. In subdivisions where driving is the only option, people are less active and have higher rates of heart disease and type 2 diabetes. It doesn't work for many older people whose accessibility needs are greater. And, traffic air-pollution is causing more asthma.

How can we plan a better and affordable alternative for Peterborough's looming growth?

To start, knowing the costs of different choices for growth will support informed community discussion and decision-making for city council.

With the City budget increasingly stretched to pay for existing infrastructure and expensive challenges like climate change mitigation, we need to plan our new (and older) neighbourhoods to be connected, modern, and affordable for residents -- and City Hall. We can do this with urban planning that tracks, acknowledges, and integrates the financial costs of maintaining more infrastructure and social services.

According to the City's 2017 Budget, Peterborough has largely "maxed out" our debt financing credit card. Yet, we still need to spend $329 million on building roads and bridges, plus $28 million per year on sanitary and stormwater management systems, and millions more on existing city facilities.

On top of the financial incentive, there are mandated growth policies. The Peterborough Official Plan has to meet provincial requirements to achieve denser and more intensified development, plan complete neighbourhoods, and slow down sprawl.

The Official Plan Review is now underway: this is an opportunity to explore a better future for Peterborough, to discuss and plan an affordable city.

Growth is inevitable. If we do it right, smart growth can lead to long-term prosperity. But if we get it wrong, and only invest in short-term and easy growth, the city will face long-term debt and the costs will become too expensive for us, and our children. And then we will all be paying much higher taxes.

Will our City plan for affordable growth in Peterborough? Let's research, evaluate and talk about the real, complete costs of different choices for growth, and let's see what we can really afford - now and in the future.

This is the third in a series of columns from Reimagine Peterborough, a citizen-led movement to invite the incredible potential within our city to come together to create, share, and engage on a city plan for a brighter future. Join and follow us on Facebook, Twitter, or reimagineptbo.ca

CITY BUDGET

- If the 2017 Draft Capital Budget is approved, and the 2017 payments of debt principal are paid as per the normal course of business throughout the year, the Tax Supported debt capacity available for 2018 will become $6.5 million.
- This amount is considerably less than the comparable amount of $16.7 million in 2017. In 2018, the City will have reached its limit within its policy to only issue tax supported debt up to 8% of Own Purpose Revenues.
- Whereas the 2017 Draft Budget includes a full 1 per cent of the all-inclusive

dedicated to the Capital program, even if council wished to approve 1 per cent in 2018, only 0.5 per cent can be approved within the limit. Beyond 2018, debt can be issued as existing debt matures. (Peterborough 2017 Budget Highlights, 2016, p.8)

COSTS OF SPRAWL

- Halifax Regional Municipality found it would potentially save as much as $715 million over the next 20 years by increasing the percentage of new dwellings sited in the urban core from 16 per cent to 50 per cent.
- The City of London, Ontario found that over a 50-year period, sprawling growth would have capital costs $2.7 billion higher, and operating costs about $1.7 billion higher, than for a compact growth scenario.
- Costs to the City of Edmonton for just 17 of more than 40 planned new developments are expected to exceed revenues by nearly $4 billion over the next 60 years.
- Calgary found that by adopting a denser growth pattern that used 25 per cent less land, it could save $11-billion in capital costs alone.