Projected growth 

**People and Jobs in the Greater Golden Horseshoe**

- **2011**
  - 9 million people
  - 4.5 million jobs

- **2041**
  - 13.5 million people
  - 6.3 million jobs
PLANNING AIMS AND INFRASTRUCTURE
The Growth Plan and infrastructure

- Optimize the use of existing and new infrastructure to support growth in a compact, efficient form.

- Better use of land and infrastructure can be made by directing growth to existing urban areas.

- Concentrating new development in these areas also provides a focus for transit and infrastructure investments to support future growth.
Urban form to support efficient infrastructure

**INFRASTRUCTURE COSTS VARY WITH URBAN FORM**

- Local infrastructure\(^1\)
- Regional sewer/water\(^1\)
- Transportation and utilities\(^2\)
- Utilities\(^3,4\)
- Roads\(^3,4\)

20 – 60% savings on infrastructure with compact urban form
Urban form to support transit investment

- 2015 Ontario budget: $130 billion/10 years  
  – $31.5 transit & transportation
- The Big Move – 25 year plan
- RER/GO electrification - $13.5 billion
- Mississauga LRT
- Waterloo LRT - $1.9 billion
- Hamilton LRT - $1 billion
PLANNING APPROACHES
• Urban growth centres
• Minimum density targets
  – UGCs
  – greenfield development
• Intensification target
PROBLEMS WITH PLANNING
It’s slow
“It is still early days”
Official Plan conformity

Supra-regional plan

Regional plan

Municipal plan
Official Plan conformity 2015

**Supra-regional plan**

**Regional plan**

**Municipal plan**

**Greeter Golden Horseshoe**

Source: Schedule 1 of the Growth Plan
Meanwhile, growth in the suburbs

GROWTH GGH 2006 – 2014
880,000

GROWTH CMA 2006 - 2011
Active core = 52,000
Transit suburbs = 26,000
Auto suburbs = 390,000

Source: David Gordon, Queen’s University
It has been of questionable effectiveness
**Figure No. 7**

Net Gain in Population and Dwellings, GTHA, 2001-2011

- **Population**
  - Greenfield: 142,250
  - Intensification: 735,620
  - Total: 857,870

- **Dwellings**
  - Greenfield: 208,930
  - Intensification: 249,170
  - Total: 458,100

*Note: Due to rounding, totals may differ from subregional total.*

*Growing Pains, Neptis Foundation, 2015*
Performance Indicators: region-wide: 60% w/o Toronto: 44%
It’s undermined by public sector (mis)price signals
That subsidize inefficient development
• Economics 101: prices should reflect costs for efficient allocation of resources

• Urban context: public sector “prices” should reflect costs, which vary with
  • density
  • location
  • type of land use
DEVELOPMENT CHARGES IN SOME TORONTO AREA CITIES
$/SINGLE DETACHED UNIT
Current development charges: residential

- Cath School
- Pub School
- GO
- Peel
- Mississauga*

* +$80,774 per net ha. stormwater
Development charges do not account for effect of density on cost

New suburban house

30’ lot
Upper tier DC = $31,000
DC = $1,033 per front foot

New suburban house

60’ lot
Upper tier DC = $31,000
DC = $516 per front foot

50% off!!
or how infrastructure costs vary with location
Reflect the effects of **density** and **location** on costs.
Mispricing = overspending on municipal infrastructure
Property taxes are unrelated to costs.
Duelling subsidies
Public sector policies result in the underpricing of inefficient development and the overpricing of compact, sustainable development.
Financial disincentives:
• denser development
• reurbanisation/infill
• multi-unit buildings

Financial incentives:
• low density
• greenfields

What are public sector price signals saying?
“It’s what people want”
But decisions are governed by prices, and prices are distorted by public policy.
Incentives matter...
public sector “prices” affect outcomes
• Infrastructure costs vary with urban form
  – density
  – location
  – type of land use
• Prices set in the public sector should reflect these variations
• Consider impact of tax structures
• An efficient, undistorted market will deliver compact urban form and efficient infrastructure

Getting the prices right
• User fees
• Property tax
• Development charges
• Federal and provincial taxes
• Homeownership incentives
Not only how we raise the money, but how we spend it
Duelling subsidies: spending on roads and transit

York Region Growth-Related Capital Spending

total development-related capital program to 2031 ($2012)
York Region Growth-Related Capital Spending

Fed/prov grants

- roads: $3000 million
- transit: $400 million

Total development-related capital program to 2031 ($2012)
We haven’t yet made the spending shift
Growth Plan undermined by public sector (mis)price signals that subsidize inefficient development
And misinvestment

In conclusion...
Urban development patterns not achieved
Resulting in overspending on infrastructure (20-60%)...
and/or possibility of underperforming infrastructure investments (esp. transit)
Planning necessary but not sufficient

Need to pay more attention to the effect of public sector “prices” on broader policy objectives

Pricing can be used to (more efficiently?) achieve planning objectives

Need to consider how infrastructure investments work together in actual urban environments and

What spending shifts might be needed to realise policy objectives
Thank you!

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• Shape urban development patterns and travel demand
• Environmental outcomes
• Economic development role
• Need to be considered multidimensionally