

ARTICLE

Smart deal, Cambridge

The Record

Should a city hall give millions of public dollars to a developer so he can build luxury condominiums and bank the profits? The City of Cambridge has done just this, subsidizing private business person Paul de Haas to the tune of \$4.2 million. And what's more, despite the criticism dumped on it, the city was absolutely right to do so.

For 30 years, a property contaminated with coal tar has stood as a vacant eyesore at the gateway to Galt, at Water and Ainslie streets. Plans to build on it collapsed in the mid-1980s because of the high cost of fixing the site's environmental problems. Meanwhile, \$400,000 in back taxes owed to the city remain unpaid. Sticking with the status quo is a losing situation for everyone.

Mindful of this, city council rightly decided to step in and finally make things happen. It will waive the development charges that would normally be billed to the developer. Moreover, the city will give a hefty subsidy -- a citizens delegation put it at roughly \$18,000 a unit -- to each of the 230 condominiums that will be built. The total cost

to taxpayers is \$4.2 million. And, yes, that looks steep.

But look at the returns on the city's investment: It will turn an abandoned industrial site into desirable residential property and help revitalize an urban core.

It will get an environmentally clean site because the developer will dig up and remove the coal tar that now contaminates the area. It will get a major project, because the developer will build two, 12-storey towers with 230 units worth \$120 million.

From these condominiums, the city will get something it's not getting from the property today: tax revenue. And in time, those taxes should more than cover the city's payout to the developer. All this, by the way, satisfy the demands of a new provincial policy that calls for more intense growth in the downtowns of cities like Cambridge. And it's also worth nothing that the city has not given this developer special treatment. It's simply acting according to city policies that would assist any developer in similar circumstances trying to reclaim old industrial land.

Yes, the city could have done nothing and let the site sit empty for another three decades. Yes, the city could

HAASTOWN
group of companies



170 West Beaver Creek Road, Unit 13,
Richmond Hill, ON L4B 1L6
ph 905.889.5011 fax 905.889.3182

www.haastown.com

ARTICLE

Smart deal, Cambridge *cont'd...*

up the site on its own and then sell it or use it as a park. But none of those alternatives beat what the city has done. This is one occasion where city council deserves cheers not jeers. It got this one right.

HAASTOWN
group of companies



170 West Beaver Creek Road, Unit 13,
Richmond Hill, ON L4B 1L6
ph 905.889.5011 fax 905.889.3182

www.haastown.com