Subject: **RE: 2005-2009 Financial Workshop**
Date: Sun, 28 Nov 2004 07:14:54 -0800
From: "James Ridge" <James_Ridge@dnv.org>
To: <andersen@sagafc.com>, "DNVCouncil" <DNVCOUNCIL@dnv.org>
CC: "John McPherson" <John_McPherson@dnv.org>, "Irwin Torry" <Irwin_Torry@dnv.org>, "FONVCA \(E-mail\)" <fonvca@fonvca.org>, "Corrie Kost" <corrie@kost.ca>, "John Hunter" <hunterjohn@telus.net>, "Allan Orr" <allandorr@shaw.ca>, "Cathy Adams" <cathyadams@canada.com>, "Doug MacKay Dunn" <macdunn@uniserve.com>, "Agnes Hilsen" <Agnes_Hilsen@dnv.org>

I take strong exception at my comments being misrepresented as advocacy for growth. I want to be very clear what I said: I stated that in a municipality with limited growth, increases in infrastructure maintenance, or replacement costs, are borne by a fixed number of residents. The point is that in the 70's and 80's infrastructure grew to support population growth. The replacement of that infrastructure must now be carried by a static number of households. I also made a comment to the effect that the low growth policy of Council is a legitimate political decision. I absolutely did not advocate growth. Mr. McPherson made much the same point and similarly was very careful in choosing his words to make the obvious economic point without advocating growth.

In fact you could just as easily take our comments in a very different way: You are now going to pay for the growth of the 70's and 80s.

James Ridge
CAO

From: Eric Andersen [mailto:andersen@sagafc.com]
Sent: Sat 27/11/2004 6:47 PM
To: DNVCouncil
Cc: James Ridge; John McPherson; Irwin Torry; FONVCA (E-mail); Corrie Kost; John Hunter; Allan Orr; Cathy Adams; Doug MacKay Dunn; Agnes Hilsen
Subject: 2005-2009 Financial Workshop

Good morning, Mayor Harris and Council,

On Tuesday, 11/23, 2004, I attended the 2005-2009 Financial Workshop on Infrastructure Requirements.

I would like to express my dismay and disappointment in comments made by two members of Senior Management. At the start of the above meeting it was more than implied by these two gentlemen that one of the problems with lack of funding (taxes) for the North Vancouver District was the limited residential growth we have experienced in the District over the last number of years. It was more than suggested that 'growth provides needed tax revenues'.

It may very well be these staff members' belief, but since it is not proven to be correct, I personally object strongly to such comments during a public discussion. Staff are supposed to remain apolitical in their discussions with Council and the public, and their bias towards a higher growth (in order to generate further tax revenues) was totally obvious.

'The available evidence shows that development does not cover new public costs; that is, it brings in less revenue for local governments than the price of servicing it'. I did not say that, but these comments by Harvard economists Alan Altshuler and Jose Gomez-Ibanez are quoted in Eben Fodor's excellent 1999 book 'Better - Not Bigger'. This is under the chapter (pages 39-42) entitled 'The Twelve Big Myths of Growth' where the first myth explored happens to be 'Growth provides need tax revenues'. Reality check is that GROWTH TENDS TO RAISE LOCAL TAXES and that larger cities tend to have higher per capita taxes.
Again, these are not my words, but shown in studies done in Illinois in the 1990 (DuPage County Planning and Metropolitan Planning Council (greater

Chicago)). I am not going to go into more details since I know that the above book at one point was available at the District Hall. If, for some reason it got lost, I will be happy to lend any interested parties my own copy.

I was pleased to notice that at least one member of Council picked up on staff's bias towards residential growth, citing the example of Surrey where strong growth didn't prove to be a panacea.

It is correct that a number of projects were undertaken by the District in the 80's and 90's, but this was not just paid for by the growing tax base. During that period the District sold vast amounts of land - a practice that following Councils have fortunately reduced substantially, although not completely eliminated.

Had a growing tax base really been all we needed, we would have had sufficient funding for the 8 projects or so, which the District had to bring to a referendum in 1996. Instead the electorate had to be asked for their consent to increase taxes for a number of projects across the District. 'While growth does result in a larger overall tax base, it usually costs more money than it generates, resulting in a net fiscal drain', according to Eben Fodor.

This was confirmed by a small example in a comment made by Fire Chief Calder that if the growth (including on Burrard Band Land) were to continue in Seymour, the local Firehall would have to add an apparatus.

Instead of suggesting that the limited residential growth, that we, indeed, have experienced in the District the last number of years, may be the reason for our high taxes and potential tax increases, one might congratulate the last Councils for having been operating in a fiscally prudent manner (in that respect) by not falling in the trap of higher growth which, in turn, would have resulted in even higher taxes to service the needs of even more residents.

By this message I am not asking the Senior staff members to apologize, as I am sure these comments were not meant to insult anyone. Instead I would strongly urge them to remain apolitical when participating at public meetings. Very clearly, I do not want to see my taxdollars support myths that I do not believe in. Would anybody at this point e.g. like to hear stated that the earth is flat?...

Best regards,

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